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प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 1]

नई दिल्ली, शनिवार, जनवरी 3, 1970/पौष 13, 1891

No. 1] [NEW DELHI, SATURDAY, JANUARY 3, 1970/PAUSA 13, 1891

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह भ्रमण संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

नोटिस

NOTICE

नीचे लिखे भारत के प्रसाधारण राजपत्र 16 दिसम्बर, 1969 तक प्रकाशित किये गये :—

The undermentioned Gazettes of India Extraordinary were published up to the 16th December, 1969:—

| Issue No. | No. and Date | Issued by | Subject |
|-----------|--------------------------------------|---------------------------|--|
| 399 | S.O. 4912, dated 6th December, 1969. | Ministry of Home Affairs. | Further modifications in the Punjab University Act, 1947 (East Punjab Act 7 of 1947). |
| 400 | S.O. 4913, dated 8th December, 1969. | Do. | Declaring the duty by every person serving in Union Territory of Chandigarh for a period of three months with effect from 15th December, 1969, as active duty under Border Security Force Act, 1968. |
| | S.O. 4914, dated 8th December, 1969. | Do. | Declaring the duty by every person serving in Tripura for a period of three months with effect from 15th December, 1969, as active duty under Border Security Force Act, 1968. |

| Issue No. | No. and Date | Issued by | Subject |
|-----------|---------------------------------------|---|--|
| | S.O. 4915, dated 8th December, 1969. | Ministry of Home Affairs | Declaring the duty by every person serving in Assam for a period of three months with effect from 11th December, 1969, as active duty under the Border Security Force Act, 1968. |
| | S.O. 4916, dated 8th December, 1969. | Do. | Declaring the duty by every person serving in Jammu & Kashmir for a period of three months with effect from 26th December, 1969, as active duty under the Border Security Force Act, 1968. |
| | S.O. 4917, dated 8th December, 1969. | Do. | Declaring the duty by every person serving in Punjab for a period of three months with effect from 19th December, 1969 as active duty under the Border Security Force Act, 1968. |
| | S.O. 4918, dated 8th December, 1969. | Do. | Declaring the duty by every person serving in Gujarat for a period of three months with effect from 20th December, 1969 as active duty under the Border Security Force Act, 1968. |
| 401 | S.O. 4919, dated 10th December, 1969. | Ministry of Labour, Employment and Rehabilitation. | Referring the dispute between the management of Messrs Kherrani Construction and Company, Stone Metal and Building Materials Suppliers (Quarry) Bombay and their Workmen for adjudication to an Industrial Tribunal No. (2), Bombay. |
| | S.O. 4920, dated 10th December, 1969. | Do. | Prohibiting the strike in existence referred to in S.O. 4919, dated 10th December, 1969. |
| 402 | S.O. 4921, dated 12th December, 1969. | Ministry of Health, Family Planning & W.H.&U.D. | The Drugs and Cosmetics (Sixth Amendment) Rules, 1969. |
| 403 | S.O. 4922, dated 16th December, 1969. | Ministry of Petroleum and Chemicals and Mines and Metals. | The Synthetic Rubber (Price Control) Order, 1969. |

| Issue No. | No. and Date | Issued by | Subject |
|----------------------------------|--------------|---|--|
| S.O. 4923, dated December, 1969. | 16th | Ministry of Petroleum and Chemical and Mines and Metals | Fixation of sale prices of Synthetic rubber. |
| S.O. 4924, dated December, 1969. | 16th | Do. | Appointment of Shri A. Sanyal, Deputy Secretary as the Controller of Synthetic Rubber. |

ऊपर लिखे असाधारण राजपत्रों की प्रतियां प्रकाशन प्रबन्धक, सिविल लाइन्स, दिल्ली के नाम मांगपत्र भेजने पर भेज दी जाएंगी। मांगपत्र प्रबन्धक के पास इन राजपत्रों के जारी होने की तारीख से 10 दिन के भीतर पहुँच जाने चाहिए।

Copies of the Gazettes Extraordinary mentioned above will be supplied on indent to the Manager of Publications, Civil Lines, Delhi. Indents should be submitted so as to reach the Manager within ten days of the date of issue of these Gazettes.

भाग II—खण्ड 3—उपखण्ड (ii)

PART II—Section 3—Sub-section (ii)

(रक्षा मंत्रालय को छोड़कर) भारत सरकार के मंत्रालयों और (संघ क्षेत्र प्रशासन को छोड़कर) केन्द्रीय प्राधिकरणों द्वारा जारी किये गए विधिक आदेश और अधिसूचनाएं।

Statutory orders and notifications issued by the Ministries of the Government of India (other than the Ministry of Defence) and by Central Authorities (other than the Administration of Union Territories).

ELECTION COMMISSION OF INDIA.

New Delhi, the 18th December 1969

S.O. 1.—In exercise of the powers conferred by sub-section (1) of section 13A of the Representation of the People Act, 1950, the Election Commission, in consultation with the Administration of the Union Territory of Goa, Daman and Diu, hereby nominates Shri Om Prakash Garg, Law Secretary, Goa, Daman and Diu Administration as the Chief Electoral Officer for the Union Territory of Goa, Daman and Diu from the 15th December, 1969 (afternoon) vice Shri R. L. Segal.

[No. 154/22/69.]

भारत निर्वाचन आयोग

नई दिल्ली, 18 दिसम्बर 1969

एस० ओ० 1.—लोक प्रतिनिधित्व अधिनियम 1950 की धारा 13-क की उपधारा (1) के द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए भारत निर्वाचन आयोग गोवा, दमण और दीव संघ राज्यक्षेत्र प्रशासन के परामर्श से, श्री आर० एल० सेगल के स्थान पर गोवा, दमण और दीव प्रशासन में विधि सचिव श्री ओम प्रकाश गर्ग को तारीख 15 दिसम्बर 1969 (अपराह्न) से गोवा, दमण और दीव संघ राज्यक्षेत्र के लिए मुख्य निर्वाचन अधिकारी के रूप में एतद्वारा नाम निर्देशित करता है।

[सं० 154/22/69]

ORDER

New Delhi, the 10th December 1969

S.O. 2.—Whereas the Election Commission is satisfied that Shri Bakhtawar Singh, Village Chuhriwala Chisti, Post Office Fazilka, District Ferozepur (Punjab), a contesting candidate for the mid-term general election held in February, 1969 to the Punjab Legislative Assembly from 7—Jalalabad constituency, has failed to lodge an account of his election expenses as required by the Representation of the People Act, 1951, and the Rules made thereunder;

And whereas the said candidate, even after due notices, has not given any reason or explanation for the failure and the Election Commission is satisfied that he has no good reason or justification for the failure;

Now, therefore, in pursuance of section 10A of the said Act, the Election Commission hereby declares the said Shri Bakhtawar Singh to be disqualified for being chosen as, and for being, a member of either House of Parliament or of the Legislative Assembly or Legislative Council of a State for a period of three years from the date of this order.

[No. PB-LA/7/69(12).]

By Order,
K. S. RAJAGOPALAN, Secy.

आदेश

नई दिल्ली, 10 दिसम्बर 1969

एस० प्रो० 2.—यतः निर्वाचन आयोग का समाधान हो गया है कि फरवरी, 1969 में हुए पंजाब विधान सभा के लिए मध्यावधि साधारण निर्वाचन के लिए 7—जलालाबाद निर्वाचन क्षेत्र से चुनाव लड़ने वाले उम्मीदवार श्री बख्तावर सिंह ग्राम घुड़ीवाला चिस्ती ज़ाक़र फ़ाज़िल्का जिला फ़िरोज़पुर (पंजाब) लोक प्रतिनिधित्व अधिनियम 1951 तथा तद्धीन बनाए गए नियमों द्वारा अपेक्षित अपने निर्वाचन व्ययों का कोई भी लेखा दाखिल करने में असफल रहे हैं ;

और अतः, उक्त उम्मीदवार उसे सम्यक् सूचना दिए जाने पर भी लेखा दाखिल करने में असफल रहा है और उसने अपनी इस असफलता के लिए कोई कारण अथवा स्पष्टीकरण नहीं दिया है ; तथा निर्वाचन आयोग का यह समाधान हो गया है कि उसके पास इस असफलता के लिए कोई पर्याप्त कारण या न्यायोचित्य नहीं है ;

अतः अब उक्त अधिनियम की धारा 10-क के अनुसरण में निर्वाचन आयोग एतद्वारा उक्त श्री बख्तावर सिंह को संसद के किसी भी सदन के या किसी राज्य की विधान सभा अथवा विधान परिषद् के सदस्य चुने जाने और होने के लिए इस आदेश की तारीख से तीन वर्ष की कालावधि के लिए निरहित घोषित करता है ।

[सं० पंजाब-वि० सं०/7/69(12)]

आदेश से,
के० एस० राजगोपालन, सचिव ।

ORDERS

New Delhi, the 8th December 1969

S.O. 3.—Whereas the Election Commission is satisfied that Shri Chheddi Khan, R/o Village Salempur, P.O. Saidpur, District Champaran (Bihar) a contesting candidate for election to the Bihar Legislative Assembly from 3—Ramnagar Assembly Constituency, has failed to lodge an account of his election expenses as required by the Representation of the People Act, 1951, and the Rules made thereunder;

2. And whereas, after considering the representation made by the said candidate, the Election Commission is further satisfied that he has no good reason or justification for such failure;

3. Now, therefore, in pursuance of section 10A of the said Act, the Election Commission hereby declares the said Shri Chhedil Khan, to be disqualified for being chosen as and for being a member of either House of Parliament or of the Legislative Assembly or Legislative Council of a State for a period of three years from the date of this order.

[No. BR-LA/3/69(66).]

आदेश

नई दिल्ली, 8 दिसम्बर 1969

एस० ओ० 3.— यतः, निर्वाचन आयोग का समाधान हो गया है कि बिहार विधान सभा के लिए निर्वाचन के लिए 3 रामनगर निर्वाचन-क्षेत्र से चुनाव लड़ने वाले उम्मीदवार श्री छेदी खां निवासी ग्राम सलेमपुर पो० सैदपुर जिला चम्पारण (बिहार) लोक प्रतिनिधित्व अधिनियम 1951 तथा तद्धीन बनाए गए नियमों द्वारा अपेक्षित अपने निर्वाचन व्ययों का लेखा दाखिल करने में असफल रहे हैं ;

और, यतः, उक्त उम्मीदवार द्वारा दिये गये अभ्यावेदन पर विचार करने के पश्चात् निर्वाचन आयोग का यह समाधान हो गया है कि उसके पास इस असफलता के लिए कोई पर्याप्त कारण या न्यायोचित्य नहीं है ;

अतः, अब, उक्त अधिनियम की धारा 10-क के अनुसरण में निर्वाचन आयोग एतद्द्वारा उक्त श्री छेदी खां को संसद के दोनों सदनों में से किसी भी सदन के या किसी राज्य की विधान सभा अथवा विधान परिषद् के सदस्य चुने जाने और होने के लिए इस आदेश की तारीख से तीन वर्ष की कालावधि के लिए निरहित घोषित करता है ।

[सं० बिहार-वि०स०-3/69(66)]

New Delhi, the 16th December 1969

S.O. 4.—Whereas the Election Commission is satisfied that Shri T. Virappan, Thirukanur (P.O.), Settipet, Pondicherry, a contesting candidate for the mid-term election held in March, 1969 to the Pondicherry Legislative Assembly from Mannadipeth constituency, has failed to lodge an account of his election expenses as required by the Representation of the People Act, 1951, and the Rules made thereunder;

And whereas the said candidate, even after due notices, has not given any reason or explanation for the failure and the Election Commission is satisfied that he has no good reason or justification for the failure;

Now, therefore, in pursuance of section 10A of the said Act, the Election Commission hereby declares the said Shri T. Virappan to be disqualified for being chosen as, and for being, a member of either House of Parliament or of the Legislative Assembly or Legislative Council of a State for a period of three years from the date of this order.

[No. PD-LA/14/69.]

नई दिल्ली, 16 दिसम्बर 1969

एस० ओ० 4.—यतः, निर्वाचन आयोग का समाधान हो गया है कि मार्च 1969 में हुए पाण्डिचेरी विधान सभा के लिए मध्यावधि निर्वाचन के लिए मन्नादिपेट निर्वाचन क्षेत्र से चुनाव लड़ने वाले उम्मीदवार श्री टी० विराप्पन थिरुकानूर (डाकघर) सेट्टीपेट पाण्डिचेरी लोक प्रतिनिधित्व अधिनियम 1951 तथा तद्धीन बनाए गए नियमों द्वारा अपेक्षित अपने निर्वाचन व्ययों का कोई भी लेखा दाखिल करने में असफल रहे हैं ;

और, यतः, उक्त उम्मीदवार उसे सम्यक् सूचना दिए जाने पर भी अपनी इस असफलता के लिए कोई कारण अथवा स्पष्टीकरण नहीं दिया है ; तथा निर्वाचन आयोग का यह समाधान हो गया है कि उस के पास इस असफलता के लिए कोई पर्याप्त कारण या म्याथोचित्य नहीं है ;

अतः, अब, उक्त अधिनियम की धारा 10-क के अनुसरण में निर्वाचन आयोग एतद्वारा उक्त श्री टी० विराप्पन को संसद के किसी भी सदन के या किसी राज्य की विधान सभा अथवा विधान परिषद् के सदस्य चुने जाने और होने के लिए इस आदेश की तारीख से तीन वर्ष की कालावधि के लिए निरहित घोषित करता है ।

[सं० पाण्डि-वि०स०/14/69]

New Delhi, the 18th December 1969

S.O. 5.—The Commission's Order No. MR-LA/14/67, dated the 14th July, 1969 issued under section 10A of the Representation of the People Act, 1951 disqualifying Shri Mairembam Nilachandra, a contesting candidate from 14—Bishenpur Assembly Constituency and resident of Moirang Keithel, Bishenpur (Manipur) is hereby cancelled *ab initio*.

[No. MR-LA/14/67.]

By Order,
A. N. SEN, Secy.

नई दिल्ली, 18 दिसम्बर 1969

एस० ओ० 5.—14-विशेनपुर सभा निर्वाचन क्षेत्र से निर्वाचन लड़ने वाले अभ्यर्थी तथा मोहरंग कइयेल बिशेनपुर (मणिपुर) के निवासी श्री महरेम्बस नीलचन्द्र को निरहित करने वाले लोक प्रतिनिधित्व अधिनियम 1951 की धारा 10-क के अधीन निकाले गए आयोग के आदेश संख्या मणि०-वि०स०/14/67 तारीख 14 जुलाई 1969 को अ.र.भ से हो एतद्वारा रद्द किया जाता है ।

[सं० मणि-वि०स०/14/67]

आदेश से,
ए० एन० सैन, सचिव ।

MINISTRY OF HOME AFFAIRS

New Delhi, the 24th December 1969

S.O. 6.—In pursuance of sub-rule (13) of rule 13 of the Notaries Rules, 1956, it is hereby notified that in exercise of the powers conferred by clause (d) of section 10 of the Notaries Act, 1952 (53 of 1952), the Central Government has removed from the Register of Notaries maintained by them under section 4 of the said Act, the name of Shri Ghan Chand Mehta (Serial No. 77 of the Register of Notaries), with effect from the 24th December, 1969.

[No. F. 28/40/68-Judl.III.]

J. M. LALVANI, Jt. Secy.

MINISTRY OF FINANCE

(Department of Banking)

New Delhi, the 16th December 1969

S.O. 7.—In exercise of the powers conferred by section 53 of the Banking Regulation Act, 1949 (10 of 1949), the Central Government on the recommendation of the Reserve Bank of India, extends for a further period of one year till the 31st December, 1970, the exemption granted in S.O. 4220, dated the 30th November, 1968, to the National Bank of Pakistan, Calcutta and the Habib Bank Ltd., Bombay, from the provisions of sub-section (2) of section 11 of the said Act.

[No. F. 17(11)-BC/69.]

New Delhi, the 17th December 1969

S.O. 8.—Statement of Assets and Liabilities of Reserve Bank of India as at the 12th December 1969

BANKING DEPARTMENT

| LIABILITIES | Rs. | ASSETS | Rs. |
|--|---------------|---|---------------|
| Capital Paid Up | 5,00,00,000 | Notes | 23,96,82,000 |
| Reserve Fund | 150,00,00,000 | Rupee Coin | 3,67,000 |
| National Agricultural Credit (Long Term Operations) Fund | 155,00,00,000 | Small Coin | 6,74,000 |
| National Agricultural Credit (Stabilisation) Fund | 35,00,00,000 | Bills Purchased and Discounted :— | |
| National Industrial Credit (Long Term Operations) Fund | 75,00,00,000 | (a) Internal | .. |
| | | (b) External | .. |
| | | (c) Government Treasury Bills | 98,99,16,000 |
| | | Balances Held Abroad* | 187,85,11,000 |
| | | Investments** | 118,16,61,000 |
| | | Loans and Advances to: — | |
| | | (i) Central Government | .. |
| | | (ii) State Governments@ | 140,64,23,000 |
| Deposits— | | Loans and Advances to: — | |
| (a) Government— | | (i) Scheduled Commercial Banks† | 35,64,52,000 |
| (i) Central Government | 88,28,69,000 | (ii) State Co-operative Banks†† | 278,37,33,000 |
| | | (iii) Others | 3,52,88,000 |

| LIABILITIES | | Rs. | ASSETS | | Rs., |
|--|--------|---------------|--|--------|---------------|
| | | | Loans, Advances and Investments from National Agricultural Credit (Long Term Operations) Fund— | | |
| (ii) State Governments | | 4,82,42,000 | (a) Loans and Advances to :— | | |
| | | | (i) State Governments | | 31,47,28,000 |
| | | | (ii) State Co-operative Banks† | | 15,93,72,000 |
| | | | (iii) Central Land Mortgage Banks | | .. |
| (b) Banks— | | | (b) Investment in Central Land Mortgage Bank Debentures | | 9,74,61,000 |
| (i) Scheduled Commercial Banks | | 162,79,64,000 | Loans and Advances from National Agricultural Credit (Stabilisation) Fund— | | |
| (ii) Scheduled State Co-operative Banks | | 7,75,74,000 | Loans and Advances to State Co-operative Banks | | 6,55,52,000 |
| (iii) Non-Scheduled State Co-operative Banks | | 74,66,000 | Loans, Advances and Investments from National Industrial Credit (Long Term Operations) Fund— | | |
| (iv) Other Banks | | 16,23,000 | (a) Loans and Advances to the Development Bank | | 6,26,71,000 |
| (c) Others | | 212,68,48,000 | (b) Investment in bonds/debentures issued by the Development Bank | | .. |
| Bills payable | | 32,12,03,000 | Other Assets | | 35,96,99,000 |
| Other Liabilities | | 63,84,01,000 | | | |
| | Rupees | 993,21,90,000 | | Rupees | 993,21,90,000 |

*Includes Cash, Fixed Deposits and Short-term Securities.

**Excluding Investments from the National Agricultural Credit (Long Term Operations) Fund and the National Industrial Credit (Long Term Operations) Fund.

‡Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary over-drafts to State Governments.

†Includes Rs. 21,88,70,000 advanced to scheduled commercial banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

††Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

Dated the 17th day of December 1969.

An Account pursuant to the Reserve Bank of India Act, 1934, for the week ended the 12th day of December, 1969
ISSUE DEPARTMENT

| LIABILITIES | Rs. | Rs. | ASSETS | Rs. | Rs. |
|--------------------------------------|----------------|----------------|---|---------------|----------------|
| Notes held in the Banking Department | 23,96,82,000 | | Gold Coin and Bullion :— | | |
| Notes in Circulation | 3649,49,29,000 | | (a) Held in India | 182,53,11,000 | |
| Total Notes issued | | 3673,46,11,000 | (b) Held outside India | .. | |
| | | | Foreign Securities | 221,42,00,000 | |
| | | | TOTAL | | 403,95,11,000 |
| | | | Rupee Coin | | 67,26,48,000 |
| | | | Government of India Rupee Securities . . | | 3202,24,52,000 |
| | | | Internal Bills of Exchange and other commercial paper | | .. |
| TOTAL LIABILITIES | | 3673,46,11,000 | TOTAL ASSETS | | 3673,46,11,000 |

Dated the 17th day of December, 1969.

L. K. JHA,
Governor.

[No. F. 7(3)-BC/69.]

K. YESURATNAM, Under Secy.

CORRIGENDUM

In the Gazette of India issued dated 29th November 1969 Part II-Sec. 3(ii) at page 5154 the figure of Rs. 123870000\$- appearing in the foot-note number 4 to the Statement of Affairs of the Reserve Bank of India Banking Department as on 14th November 1969 relating to the sub-head "Loans & Advances to the Scheduled Commercial Banks" should be read as Rs. 123370000/-.

(Department of Revenue and Insurance)

New Delhi, the 15th December, 1969

S.O. 9.—In pursuance of the provisions of rule 3 of the Insurance Claims Board Rules, 1952, the Central Government hereby nominates Shri A. S. Chaudhri, Joint Secretary and Legal Adviser, Department of Legal Affairs, Ministry of Law, as Chairman of the Insurance Claims Board vice Shri G. A. Shah and makes the following amendment in the notification of the Government of India in the Ministry of Rehabilitation No. S.R.O. 312, dated the 31st January, 1953, as amended by the notification of the Government of India in the Ministry of Finance, Department of Revenue and Insurance, No. S.O. 2983, dated the 17th August, 1968, namely:—

In the said notification, for the existing entry against Serial No. 1, the following entry shall be substituted. namely:—

"1. Shri A. S. Chaudhri, Joint Secretary and Legal Adviser, Department of Legal Affairs, Ministry of Law (Chairman)."

[No. 60(15)-INS.I/59.]

R. K. MAHAJAN, Dy. Secy.

(राजस्व और बीमा विभाग)

नई दिल्ली, 22 दिसम्बर, 1969

का० ग्रा० 9 बीमा दावा बोर्ड नियम 1952 के नियम 3 के उपबंधों के अनुसरण में केन्द्रीय सरकार श्री ए० एस० चौधरी संयुक्त सचिव और विधि सलाहकार विधि कार्य विभाग विधि मंत्रालय को श्री जी० ए० शाह के स्थान पर एतद्वारा बीमा दावा बोर्ड के अध्यक्ष के रूप में नाम-निर्देशित करती है और भारत सरकार के वित्त मंत्रालय के राजस्व और बीमा विभाग की अधिसूचना सं० का० ग्रा० 2983 तारीख 17 अगस्त, 1968 द्वारा यथासंशोधित भारत सरकार के पुनर्वास मंत्रालय की अधिसूचना सं० का० नि० ग्रा० 312 तारीख 31 जनवरी 1953 में निम्नलिखित संशोधन करती है अर्थात् :—

उक्त अधिसूचना में, क्रम सं० 1 के सामने को विद्यमान प्रविष्टि के स्थान पर, निम्नलिखित प्रविष्टि प्रतिस्थापित की जाएगी, अर्थात् :—

"1. श्री ए० एस० चौधरी, संयुक्त सचिव और विधि सलाहकार, विधि कार्य विभाग, विधि मंत्रालय (अध्यक्ष)।"

[सं० 60(15)-आई० एन० एस०/59]

भार० के० महाजन, उपसचिव ।

(Department of Revenue and Insurance)

INCOME-TAX

New Delhi, the 24th December 1969

S.O. 10.—It is hereby notified for general information that the institution mentioned below has been approved by the Council of Scientific and Industrial Research the "Prescribed authority", for the purposes of clause (ii) of sub-section (I) of Section 35 of the Income-tax Act, 1961 (43 of 1961):

Institution

M/s. Suri Research Foundation, Bombay.

[No. 167/F. No. 11/14/69-IT(AII).]

S. N. NAUTIAL, Dy. Secy.

BOMBAY CENTRAL EXCISE COLLECTORATE

CENTRAL EXCISES

Bombay, the 3rd November 1969

S.O. 11.—In exercise of the powers conferred on me under Rule 173H of the Central Excise Rules, 1944, I hereby prescribe, in supersession of this Collectorate Notification No. CER. 173H/1/1968, dated 31st May 1968, the procedures as mentioned in Annexure 'A' appended, which shall be followed by every assessee working under the S.R.P. as laid down in Chapter VII-A of the C. Ex. Rules, 1944, as replaced by Government of India Notification No. 182/69-CE, dated the 14th July, 1969 for retaining in, or bringing into his factory or warehouse, the goods on which duty has been paid, for the purposes mentioned below:—

- (a) Goods received/retained for use in the manufacture of other goods in the factory; or
- (b) Goods returned to the factory for being re-made, refined, reconditioned, repaired or subjected to any similar process in the factory; or
- (c) After payment of duty the goods cannot be transported due to circumstances beyond the assessee's control such as suspension of booking on railways, non-availability of railway wagon or the break-down of carriers; or
- (d) Goods are required for test or for studying designs or method of construction; or
- (e) Goods are required to be stored in the factory premises for retail sale or for issue as complimentary gifts or for repacking into packages so as to suit the requirements of individual customers.

ANNEXURE 'A'

(A) Goods received/retained for use in the manufacture of other goods in the factory—

(1) The assessee shall inform within twenty four hours from receipt of the duty paid goods/retained in the factory to the Supdt. of C. Ex., having jurisdiction over the factory in writing in form enclosed with a copy to the A.C.C.Ex., concerned.

(2) The goods with the relevant dutypaying documents should be presented for inspection/examination by the C.Ex. Officer, if deputed for the purpose.

(3) The assessee shall maintain a record in the following proforma showing details of the goods retained/received, disposed of, etc.

(4) The goods should be stored separately from the non-duty paid goods and such storage place should be distinct from the Bonded Store-room for non-duty paid goods.

(4) The goods should be reprocessed, remade, refined, reconditioned, repaired or subjected to similar process isolately from the manufacture of fresh goods and in any circumstances such goods should not be mixed up with the manufacture of fresh goods.

(5) If any excisable components are required for reprocessing, remade, repairs, etc., of such goods duty should be paid on such components as usual before these are taken for repairs, remade, etc., of the goods.

(6) The goods so reprocessed, remade, etc., should be stored separately from the non-duty paid goods in the bonded storeroom.

(7) Gate passes covering re-issue of duty-paid repaired, re-conditioned goods shall carry on the top a prominent endorsement—"RE-ISSUE OF REPAIRED/RE-PROCESSED GOODS".

(8) A detailed account of such goods received, the processes to which they are subjected to after their return to the factory and the quantity obtained after reprocessing, remade etc., shall be kept by the assessee, in the subjoined form.

Account of duty-paid goods received for reprocessing, remade, repairs etc., under Rule 173-H of the C.Ex. Rules, 1944.

Name and address of the factory:

Licence No.

Receipts

| Date of receipt into the factory | From whom received | Description of goods | Brand name with identifying mark or number, if any | Quantity received | Signature of the assessee or his agent |
|----------------------------------|--------------------|----------------------|--|-------------------|--|
| (1) | (2) | (3) | (4) | (5) | (6) |

Details of reprocessing/repairs

| Details of reprocessing / remade, repairs etc. to which such goods are subjected to | Qty. recovered after reprocessing | Description of excisable components used, if any | Amount of duty paid on the component with No. and date of gate pass |
|---|-----------------------------------|--|---|
| (7) | (8) | (9) | (10) |

Issues

| Date | o. and date of gate pass | Quantity | Remarks | Signature of the assessee or his agent |
|------|-----------------------------|----------|---------|--|
| (11) | (12) | (13) | (14) | (15) |

| Refund granted, if any, of the duty | Remarks |
|-------------------------------------|---------|
| (16) | (17) |

NOTE:

- (1) The account should be maintained consignment-wise.
- (2) In the case of damaged sugar/cement, if the procedure of duty-free clearance on quantity to quantity basis is followed column 8 should be amended to read "Permissible quantity for delivery free of duty as intimated by the C. Ex. Officer".

(9) The record so maintained as well as relevant documents shall be open to inspection by any Central Excise Officer at all times.

(10) The manufacturers should follow the above procedure when they desire to reprocess, remade, etc., duty paid goods received into the factory isolately and to clear such goods after reprocessing, remade, etc., without payment of duty. However, if the manufacturer cannot follow the above procedure, he may reprocess, remade, etc., such goods under claim for refund by following the procedure laid down under Rule 173-L or 100 of the C.Ex. Rules, 1944.

II. Damaged sugar/cement brought back to the factory for refining, processing etc.

- (1) The assessee shall inform the Supdt. of Central Excise having jurisdiction over his factory in writing in Form enclosed within twenty four hours of the receipt of the goods into the factory with a copy to the A.C.C.Ex., concerned.

- (2) The consignment shall be stored separately till it is inspected by the Central Excise Officer.

- (3) The Central Excise Officer deputed for the purpose will weigh the consignment so received into the factory, draw representative sample, prepare the usual test memo, forward the sample to the Chemical Examiner for ascertaining the recoverable sugar/cement.

- (4) The Assistant Collector on receipt of the test report from the Chemical Examiner will intimate the Supdt. of Central Excise concerned the quantity of goods permitted to be delivered free of duty from the factory against the damaged goods brought into the factory.

(5) The Superintendent of Central Excise concerned on receipt of orders from the Assistant Collector will apprise the assessee of the result of the Chemical Analysis and will permit clearance of a quantity equivalent to the recoverable quantity as determined by the Chemical Examiner without payment of duty.

(6) The re-processed quantity should be accounted for in the C. Ex. accounts.

(7) Gate pass covering such duty free clearance of sugar/cement shall carry on the top a prominent endorsement "DUTY FREE CLEARANCE AS PER SUPERINTENDENT'S ORDER No. _____ Dated _____".

(8) The assesses shall maintain a detailed account of the damaged sugar/cement received and the process to which the same is subjected to in the factory in the form mentioned at (B) I (8) above, which shall be open to inspection by any Central Excise Officer at all times. This account shall be in addition to the Central Excise accounts.

III. *Electric batteries, fans, electric bulbs, tyres and tubes, internal combustion engines, electric motors, W. R. Sets, refrigerators and A. C. appliances, brought into the factory for repairs, reconditioning, etc.*

(1) The assessee shall inform the Supdt. of Central Excise having jurisdiction over his factory in writing in four enclosed within twenty four hours of the receipt of goods into the factory with a copy to the A.C.C. Ex. concerned.

(2) The goods so received shall be stored in a separate place specified for the purpose and repairing, reconditioning etc., shall as far as possible be undertaken in a separate section as distinct from the manufacturing section. There it is done in the manufacturing section itself, prior intimation should be given to the Supdt. of Central Excise concerned.

(3) The assessee shall pay duty on excisable parts used for repairing, reconditioning, etc., in the usual manner at the time of removal of excisable parts before utilising them for repairs.

(4) All removals of repaired/reconditioned goods shall take place under cover of separate gate passes maintained for this purpose and shall carry on the top a prominent endorsement "RE-ISSUE OF REPAIRED/REPROCESSED DUTY PAID GOODS".

(5) A detailed account of the returned goods shall be kept by the assessee in the form at (B) I (8) above.

(6) The manufacturer shall remove the goods after repair/reconditioning within 1 month of the date of receipt thereof into the factory. However, this time limit shall be extended by the Supdt. of Central Excise to 3 months subject to the condition that the No. of such batteries/fans so brought into the factory for repair/reconditioning does not exceed at any one time 1 per cent of the annual production of the assessee. This limit shall be relaxed to 5 per cent in case of Electric motors, electric batteries and electric fans. In case of Refrigerating and air conditioning appliances, electric motors, I.C. Engines, electric fans and electric batteries, the normal period for removal will be 3 months instead of 1 month. In deserving cases extension upto 9 months will be granted by the Supdt. and beyond that period by the Collector.

IV. *Goods returned to the factory for being remade, refined reconditioned, etc. under the provisions of Rules 173-L and 173-M and 100.*

(1) The assessee should follow the procedure laid down in the respective rules and as prescribed from time to time and he should maintain an account of the goods so received the process to which subjected and removed, in the form mentioned at (B) I (8) above in addition to the accounts already prescribed under the procedure laid down under the respective rules. In the case of cement and sugar the procedure as laid down under B(ii) above should be followed in addition to the procedure laid down under the respective rules. In the case of woollen fabrics, the reprocessing of duty paid fabrics shall not be permitted under the provisions of rule 173H. However, reprocessing of such fabrics shall be permitted under the provisions of rule 173-L of the C. Ex. Rules, 1944.

(c) (I) After payment of duty the goods cannot immediately be transported due to circumstances beyond the assessee's control such as non-availability of railway wagon or the break-down of carriers.

(1) The place in the factory where such duty paid goods are to be stored shall be duly declared and approved by the officer competent to issue or renew the manufacturing licence.

(2) The storage place should be separate and distinct from the all parts of the premises forming the manufactory and approved store rooms for non-duty paid goods.

(3) The assessee should intimate to the Supdt. of Central Excise having jurisdiction over the factory in writing in form enclosed the reasons for not removing the duty paid goods, from the factory within 24 hours from the time and date shown in the G. P. with a copy to the A.C.C. Ex., concerned.

(4) The goods with the relevant duty paying documents should be presented for inspection/examination by the Central Excise Officer if deputed for the purpose.

(5) The manufacturer shall keep an account of all goods retained, issued and balance of duty paid goods in the following form:

| Date | Description of goods | Opening balance | RECEIPTS | | Total | Signature of licensee |
|------|----------------------|-----------------|----------------------|----------|-------|-----------------------|
| | | | Gate pass No. & date | Quantity | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| ISSUES | | Closing balance | Signature of licensee |
|------------------------------|----------|-----------------|-----------------------|
| No. & date of gate passes | Quantity | | |
| 8 | 9 | 10 | 11 |

(6) The stocks and accounts shall be open to inspection by any Central Excise Officers at all reasonable times.

(7) All copies of gate passes under which the goods were intended to be cleared should be suitably endorsed and when the goods are cleared again, suitable entry should be made on these gate passes.

(II) When goods cleared on payment of duty are brought back into the factory due to sudden suspension of booking on Railways—

(1) The manufacturer shall inform the Supdt. of Central Excise concerned in writing in form enclosed about the re-entry of each consignment of excisable goods in his factory within twenty four hours of receipt with a copy to the A.C.C. Ex., concerned.

(2) The goods with the relevant duty paying documents should be presented for inspection/examination by the Central Excise Officer, if deputed for the purpose.

(3) The goods shall be stored separately in a place distinct from the main premises forming the manufactory and approved store room for non-duty paid goods, and a stock card superscribed "Re-entered goods" showing:—

- (i) Date of receipt;
- (ii) Quantity received;
- (iii) No. and date of clearance documents;
- (iv) Date of re-issue; and
- (v) Quantity issued;

should be maintained to distinguish them from other goods, if any.

(4) All copies of gate passes under which the goods were first cleared, should be endorsed when the goods are received back in the factory giving time and date. When the goods are cleared again, suitable entry should be made on these gate passes.

(5) The manufacturer should maintain an account in form prescribed under C(I) above.

(D) Goods brought into the factory for test or for studying designs or method of construction, etc.

(1) The assessee shall notify to the Supdt. of Central Excise concerned in writing in form enclosed within twenty four hours of receipt of samples of duty paid excisable goods into the factory with a copy to the A.C.C. Ex., concerned.

(2) The goods shall be presented for inspection, if necessary, for sampling by the Central Excise Officer.

(3) The assessee shall keep a simple account of the receipt and disposal of such goods. This account shall be open for inspection by any Central Excise Officer at all times.

(E) Goods required to be stored in the factory premises for retail sale or for issue as complimentary gifts or repacking into packages so as to suit the requirements of individual customers—

(1) Where the assessee has a retail shop open to the public it should as far as possible be located away from the factory premises and in any case physically segregated from the factory premises, there being no entrance to the retail shop from inside the licensed premises.

(2) Where the assessee wants to store some duty paid goods for retail sale to factory employees only or issue as complimentary gifts, he should normally arrange for storage of such goods out-side licensed premises. However, any assessee having no additional storage place out-side the licensed premises for storing duty paid goods, he will be permitted to store the goods in a separate room/place situated within the factory premises subject to the following conditions:—

(a) The separate room/place where duty paid goods are to be stored shall be duly declared and approved by the licensing authority concerned, prior to storage therein

(b) The room or place shall be segregated from the rest of the licensed premises by effectively closing all entrances into it except one communicating only with the open space out-side the main factory building and this storage place shall be capable of being securely locked.

(c) No duty paid goods shall be stored for this purpose elsewhere in the licensed premises except in such approved store-room/place.

(d) All issues for the retail store must be in accordance with the usual procedure for clearance on payment of duty.

(e) Separate gate passes under Rule 52-A must be issued for each lot of duty paid goods at the time of delivery. One gate pass book should be exclusively used for this purpose. Such gate passes should carry on the top a prominent endorsement "issue of duty-paid goods from the retail store".

(f) The assessee should maintain an account of receipt, issues and balance in the retail store, in the form given below:—

| Date | Description of goods | Opening balance | RECEIPTS | | Total |
|------|----------------------|-----------------|------------------|----------|-------|
| | | | G. P. No. & date | Quantity | |
| 1 | 2 | 3 | 4 | 5 | 6 |

ISSUES

| No. & date of gate passes | Quantity | Closing balance | Signature of licensee | Remarks |
|---------------------------|----------|-----------------|-----------------------|---------|
| 7 | 8 | 9 | 10 | 11 |

(g) The accounts so maintained will be open for inspection by any Central Excise Officer at all times.

DECLARATION OF RECEIPT OF/RETAINED IN OF DUTY-PAID EXCISABLE GOOD IN THE FACTORY PREMISES:—

To

The Superintendent of Central Excise,

I/c.....Range.

I/We hereby declare that the undermentioned consignment of excisable goods has been received/retained by me/us at our licensed premises on.....19 at..... hrs. for the purpose of.....

| Name and address of the factory where the goods are not manufactured in the factory of receipt | No. and date of gate pass under which duty has been paid | Description and variety of goods | No. of packages and identifying marks on the packages received |
|--|--|----------------------------------|--|
|--|--|----------------------------------|--|

| 1 | 2 | 3 | 4 |
|---|---|---|---|
|---|---|---|---|

| In the gate pass | received | under which duty was paid | duty paid |
|------------------|----------|---------------------------|-----------|
|------------------|----------|---------------------------|-----------|

| 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|
|---|---|---|---|---|

I/We declare that the goods received are identifiable with the description given in the gate pass to my/our entire satisfaction. The goods will be reprocessed/used etc. within.....period of receipt.

I/We have entered the particulars of the consignment in my/our stock register as well as in the Central Excise accounts prescribed for the purpose.

Signature of the Licensee
or his authorised agent.

[No. CER-173 H/1/69.]

A. K. ROY, Collector.

CENTRAL EXCISE COLLECTORATE, DELHI

CENTRAL EXCISES

New Delhi, the 15th December 1969

S.O. 12.—In exercise of the powers conferred upon me under Section 2 (a) of the Produce Cess Act, 1966 (15 of 1966) read with Government of India Notification G. S.R. 834 dated 26-3-69 I, R. Prasad, Collector of Central Excise, Delhi hereby authorise the Central Excise Officers specified in Column 2 of the sub-joined table to exercise within their jurisdiction, the powers of the 'Collector' under the Produce Cess Act enumerated in column 1 thereof, subject to the limitations set out in column 3 of the said table.

TABLE

| Section of Produce Cess Act | Rank of Officer | Limitation if any |
|-----------------------------------|---|---|
| 1 | 2 | 3 |
| 8(1) | (a) Superintendent of M.O.R. in whose jurisdiction the mill is situated (b) The Inspector of Central Excise (in case of isolated ranges) | Full powers |
| 9(1) & (2) | Jurisdictional Superintendent | Do. |
| 12(a), (b), (c) | Jurisdictional Superintendent | Do. |
| 13(1) & 13 (2) | Central Excise Officers of and above the rank of Inspector | Do. |
| 18 | The Assistant Collector | Compounding of offence before the prosecution is launched |

[No. 4, 69]

R. PRASAD,
Collector.

OFFICE OF THE COMMISSIONER OF INCOME-TAX, ORISSA, BHUBANESWAR

Bhubaneswar the 16th December, 1969

S. O. 13.—In exercise of the powers conferred on him under sub-section (1) of Section 27 of the Income tax Act, 1961 (Act 43 of 1961) and all other powers enabling him in this behalf, the Commissioner of Income tax, Orissa, Bhubaneswar hereby transfer the case, particulars of which are given in column (2) of the Schedule hereto annexed from the Income

tax Officer mentioned in column (3) to the Income tax Officer mentioned in column (4) thereof :—

SCHEDULE

| Sl. No. | Name of the assessee | From the Incometax Officer | To the Incometax Officer |
|---------|---|--|---------------------------------------|
| (1) | (2) | (3) | (4) |
| 1 | Shri P. K. Das, Advocate, Jobra Road, Cuttack. | Incometax Officer, Ward-E, Cuttack. | Incometax Officer Ward-C, Cuttack. |

This notification shall take effect from 16-12-69.

[No. Adm. I.T. XIII-2/69]

K. JAGANNATHAN,
Commissioner of Incometax,
Orissa, Bhubaneswar.

OFFICE OF THE COMMISSIONER OF INCOME TAX, POONA

(INCOME-TAX)

Poona, the 20th December 1969

S.O. 14.—In exercise of the powers conferred by sub-section (1) of Section 123 of the Income-tax Act, 1961 (43 of 1961) and in partial modification of this Office Notification of even number dated the 20th November, 1969, the Commissioner of Income-tax, Poona, hereby directs that the Incometax Assistant Commissioners of Income-tax of the Ranges mentioned in Column 1 of the Schedule, shall exercise jurisdiction over the Income-tax Wards Circles and the Districts shown against their respective Ranges in the second column of the Schedule.

SCHEDULE

| Range & Headquarters | Jurisdiction |
|-----------------------------|---|
| 1 | 2 |
| 1. Poona Range-I, Poona | All wards /Circles in Poona District (excluding G.H.Q. I.T. Office, Poona, Salaries & Refunds Circle, Poona, Companies Circle, Poona and Tax Recovery Office, Poona). |
| 2. Poona Range-II, Poona | 1. Companies Circle, Poona. 2. G.H.Q. I.T. Office, Poona. 3. Salaries & Refunds Circle, Poona. 4. Tax Recovery Office, Poona. 5. All Wards in Satara District. 6. All Wards in Ahmednagar District. 7. All Wards in Kolaba District (Parvel). |
| 3. Kolhapur Range, Kolhapur | All Wards/Circles in the following Districts: (1) Kolhapur, (2) Sangli, (3) Sholapur, (4) Osmanabad (Latur), (5) Ratnagiri. |

| 1 | 2 |
|---------------------------------|--|
| 4. Nasik Range, Nasik | All Wards/Circles in the following Districts:— (1) Nasik, (2) Dhulia, (3) Aurangabad & Bhir, (4) Jalgaon. |
| 5. Thana Range, Thana | All Wards/Circles in the Following Districts:— (1) Thana, (2) Tax Recovery Office, Thana. |
| 6. Akola Range, Akola | All Wards/Circles in the following Districts:— (1) Akola, (2) Amravati, (3) Wardha and Chanda, (4) Yeotmal, (5) Buldhana (Khamgaon), (6) Nanded and Parbhani . |

This notification shall take effect from 1st January, 1970.

[No. 143-1/69-70 (Tech).]

S.O. 15.—In exercise of the powers conferred on me under Section 124 (1) of the Income-tax Act 1961 (43 of 1961), I hereby create the following charges of the Income-tax Officers within the charge of the Commissioner of Income-tax, Poona, with effect from the dates shown against them and until further orders :

| S. No. | Name of the Charge | Date | Range Office |
|--------|---|------------|---|
| 1. | Additional Income-tax Officer, Head-quarters. | 20-12-1969 | In the Office of the Commissioner of Income-tax, Poona. |
| 2. | Income-tax Officer, 'D' Ward, Aurangabad. | 29-12-1969 | Within the Range of the Inspecting Asstt. Commissioner of Income-tax, Nasik Range, Nasik. |

[No. 141/69-70(Tech.)]

ORDER

Poona, the 20th December 1969

S.O. 16.—In pursuance of sub-section (1) of Section 124 of the Income-tax Act, 1961 (43 of 1961) and in supersession of all previous orders on this subject, the Commissioner of Income-tax, Poona, hereby directs that the Income-tax Officers specified in Column 2 of the Schedule appended to this order shall perform all the functions of the Income-tax Officer, in respect of the areas, persons, classes of persons, incomes, classes of incomes, cases or classes of cases mentioned in Column 4 thereof except in respect of such cases as have been or may hereafter be assigned specifically to any other Income-tax Officer.

SCHEDULE

| District or Circle | Designation of the Income-tax Officer | Headquarters | Jurisdiction |
|--------------------|---|--------------|--|
| 1 | 2 | 3 | 4 |
| Aurangabad | Income-tax Officer, 'A' Ward, Aurangabad. | Aurangabad | (i) All companies & co-op. societies in Aurangabad and Bhir districts. |

| 1 | 2 | 3 | 4 |
|------------|---|------------|--|
| Aurangabad | Income-Tax Officer 'B' Ward, Aurangabad. | Aurangabad | <p>(ii) All persons whose place of assessment is in Aurangabad and Bhir Distts. and whose income as per last completed assessment, or where no assessment has been completed, the returned income in any year exceeds Rs. 20,000/- as on 1-4-1967.</p> <p>(iii) All partners of the firms assessed by the Income-tax Officer 'A' Ward, Aurangabad irrespective of the amount of total income of such persons, if they are assessable in Aurangabad and Bhir Districts.</p> <p>(iv) All new cases in the Districts of Aurangabad and Bhir arising out of survey operations or otherwise and where the income returned exceeds Rs. 20,000/- and no assessment is made.</p> <p>(i) All persons whose place of assessment is in Aurangabad District and whose income as per last completed assessment, or where no assessment has been completed, the returned income in any year does not exceed Rs 20,000/- as on 1-4-1967.</p> <p>(ii) All partners of the firms assessed by the Income-tax Officer 'B' Ward, Aurangabad, provided they are not assessed by the Income-tax Officers A & C Wards, Aurangabad.</p> <p>(iii) All new cases in the District of Aurangabad arising out of Survey operations or otherwise and where the income returned does not exceed Rs. 20,000/-.</p> |
| Aurangabad | Income-Tax Officer 'C' Ward, Aurangabad. | Aurangabad | <p>(i) All cases as have been or may hereafter be assigned specifically under Section 127(1) of the Income-tax Act, 1961.</p> |
| Aurangabad | Income-tax Officer, 'D' Ward, Aurangabad. | Aurangabad | <p>(i) All persons whose place of assessment is in Bhir District and whose income as per last completed assessment or where no assessment has been completed, the returned income in any year does not exceed Rs. 20,000/- as on 1-4-1967</p> |

| 1 | 2 | 3 | 4 |
|---|---|---|---|
| | | | (ii) All the partners of the firms assessed by the Income-tax Officer, D-Ward, Aurangabad provided they are assessable in Bhir District and are not partners of the firms assessed by the Income-tax Officers, A, B and C Wards Aurangabad. |
| | | | (iii) All persons in the Aurangabad and Bhir Districts who are salary earners and persons whose total income is made up of income wholly taxed at source or dividends or both i.e. refundees. |
| | | | (iv) All new cases in the District of Bhir arising out of survey operations or otherwise and where the income returned does not exceed Rs. 20,000/-. |

This order shall take effect from 29th December, 1966.

[No. 141-Aurangabad/69-70 (Tech.)].

A. BALASUBRAMANIAN,

Commissioner of Income-tax, Prona.

OFFICE OF THE COLLECTOR OF CENTRAL EXCISE, HYDERABAD

CENTRAL EXCISES

Hyderabad, the 20th December 1969

S.O. 17.—In exercise of the powers conferred on me by Rule 5 of the Central Excise Rules, 1944, I hereby empower all Officers of and above the rank of "Assistant Collector of Central Excise" to exercise within their respective jurisdictions, the powers of "Collector" under Rule 173 L of the said Rules.

[No. 10/69.]

Hyderabad, the 23rd December 1969

S.O. 18.—In exercise of the powers conferred on me under Rule 5 of the Central Excise Rules, 1944, I hereby empower all officers of and above the rank of "Assistant Collector of Central Excise" to exercise within their respective jurisdictions the powers of a "Collector" under Proviso (i) to Rule 173-G(3) of the said Rules, subject to the limitation that the relaxation may be allowed only on *ad-hoc* basis to assessee who export their goods and need verification of payment of duty from the returns on the respective removal documents (AR 4A and Gate pass).

[No. 11/69.]

M. L. ROUTH, Collector.

MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS

(Department of Petroleum and Chemicals)

New Delhi, the 22nd December 1969

S.O. 19.—In pursuance of section 12A of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby specifies the Mysore Kerosene Dealers Licencing Order, 1969 made by the State Government of Mysore to be a Special Order for purposes of summary trial under the said section.

[No. F.45(16)/69-IOC.]

H. C. SHARMA, Under Secy.

MINISTRY OF FOREIGN TRADE AND SUPPLY
(Office of the Jt. Chief Controller of Imports and Exports)
(Central Licensing Area)

ORDER

New Delhi, the 20th December 1969

S.O. 20.—M/s. Sashi Industries, House No. 3387 Sector 27-D, Chandigarh were granted import licence No. P/S/1612719/C, dated 23rd January 1969 for Rs. 5,000/- for import of Plastic Moulding Powder not otherwise specified under S. No. 122(xxv)/V. They have applied for a duplicate Customs Purposes and Exchange Control purposes copies of the said licence on the ground that original Customs purposes and Exchange Control purposes copies of the licence has been lost/misplaced without having been utilized.

2. In exercise of the powers conferred on me, under Clause 9(cc) Import (Control) order, 1955, dated 7th December 1955 as amended upto date, I order cancellation of the Customs Purposes and Exchange Control Purposes copies of the import licence No. P/S/1612719/C dated 23rd January 1969 (in dup.).

3. On completion of the required formalities the applicant will be issued a duplicate copies of the Customs purposes and Exchange Control purposes of the said licence, in accordance with para 302(i) I.T.C. Hand Book of Rules and Procedure, 1969.

[File No. S. 6/AM68/AU.UT/CLA/NU.]

RAM MURTI SHARMA,

Jt. Chief Controller of Imports and Exports.

(Office of the Chief Controller of Imports and Exports)

ORDER

New Delhi, the 22nd December 1969

S.O. 21.—M/s. National Rayon Corporation Ltd., Bombay, were granted licence No. P/D/2171902/S/CN dated 13th October 1969 for import of Rayon Grade Wood Pulp for Rs. 74,09,000/- under Canadian Loan. They have applied for issue of a duplicate licence in the ground that the original has been misplaced/lost without having been registered with any Customs authority and utilised at all.

In support of this contention M/s. National Rayon Corporation Ltd., Bombay have produced an affidavit. The undersigned is satisfied that the original licence has been lost/misplaced. Therefore, in exercise of the power conferred under clause 9(cc) of the Import Control Order 1955 dated 7th December 1955 as amended, the original licence is hereby cancelled.

A duplicate licence is being issued separately.

M/s. National Rayon Corporation Ltd.,

Ewart House, Iruce Street, Fort, Bombay-1 BB.

[No. Rayon/7(4)/69-70/R.M.6/993.]

G. S. SHARMA,

Dy. Chief Controller of Imports and Exports.

(Office of the Chief Controller of Imports and Exports)

ORDER

New Delhi, the 22nd December 1969

S.O. 22.—A licence No. P/CG/2049030/D/UR/25/C/H/24/CG.IV dated 12th April, 1967 of the value of Rs. 91,38,150/- for import of Plant and Machinery for the manufacture of malleable Iron Castings and S.G. Iron Castings was issued to M/s. Ductile Iron and Malleable Castings Ltd., 902, S.P. Mukherjee Marg, Delhi on the basis of Government approval contained in the then Ministry of Industry letter No. EEI-6(59)/64 dated 28th January, 1967.

2. Thereafter, a show cause notice No. 2A(100)/66-67/CG.IV/1051 dated 30th September, 1969 was issued asking them to show cause within 15 days as to why the said licence in their favour should not be cancelled in terms of Clause 9, sub-clause (cc) of the Import (Control) Order, 1955 (as amended from time to time)

on the ground that the Government of India, Ministry of I.D.I.T.&C.A. have withdrawn their said approval *vide* their letter No. EE1-6(59)/64 dated 26th July, 1969 as the party could not implement their scheme within the stipulated time and import licence mentioned above had therefore ceased to serve the purpose for which it was granted.

3. M/s. Ductile Iron & Malleable Castings Ltd., 902, S.P. Mukherjee Marg, Delhi have not replied to the aforesaid show cause notice, nor have they sought an opportunity for personal hearing within the stipulated time. They have also not returned the licence as directed.

4. Having regard to what has been stated in the preceding paragraph and the reasons already stated in the show cause notice dated 30th September, 1969, the undersigned is satisfied that the licence in question should be cancelled or otherwise rendered ineffective. Therefore, the undersigned, in exercise of the Powers vested in him under Clause 9 Sub-clause (cc) of the Imports (Control Order, 1955) hereby cancels the licence No. P/CG/2049030/D/UR/25/C/H/CG-IV dated 12th April, 1967 for Rs. 91,38,150/- issued in favour of M/s. Ductile Iron and Malleable Castings Ltd. 902, S.P. Mukherjee Marg, Delhi-6.

[No. 2a(100)/66-67/CG-IV/1385.]

H. D. GUPTA, Dy. Chief Controller.

MINISTRY OF HEALTH, FAMILY PLANNING, WORKS HOUSING AND URBAN DEVELOPMENT

(Department of Health)

New Delhi, the 23rd December 1969

S.O. 23.—In exercise of the powers conferred by section 12 and 33 of the Drugs and Cosmetics Act, 1940 (23 of 1940), the Central Government, after consultation with the Drugs Technical Advisory Board, hereby makes the following rules further to amend the Drugs and Cosmetics Rules, 1945, the same having been previously published as required by the said sections, namely:—

(1) (i) These rules may be called the Drugs and Cosmetics (Seventh Amendment) Rules, 1969.

(ii) They shall come into force on the date of their publication in the official Gazette.

2. In the Drugs and Cosmetics Rules, 1945 (hereinafter referred to as the said rules) in rule 65, after sub-rule (17), the following sub-rule shall be inserted, namely:—

“(18) No drug intended for distribution to the medical profession as free sample which bears a label on the container as specified in clause (viii) of sub-rule (1) of rule 96, and no drug meant for consumption by the Employees State Insurance Corporation, the Central Government Health Scheme, the Government Medical Stores Depots, the Armed Forces Medical Stores or other Government institutions, which bears a distinguishing mark or any inscription on the drug or on the label affixed to the container thereof indicating this purpose shall be sold or stocked by the licensee on his premises.

Provided that this sub-rule shall not be applicable to licensees who have been appointed as approved chemists, by the State Government in writing, under the Employees State Insurance Scheme for drugs meant for consumption under that Scheme.

3. In the said rules, in sub-rule (1) of rule 96, in clause (iii),—

(i) for the existing sub-clause (b), the following sub-clause shall be substituted, namely:—

“(b) for liquid parenteral preparations ready for administration in terms of 1 millilitre or percentage by volume or dose”.

(ii) sub-clauses (c) and (d) shall be relettered as sub-clauses (d) and (e) respectively, and before sub-clause (d) so relettered, the following sub-clause shall be inserted, namely:—

“(c) for drugs in solid form intended for parenteral administration in terms of units or weight per milligram or gram.”

4. In the said rules, after rule 126, the following rule shall be inserted, namely:—

“126-A Standards for ophthalmic preparations.—The standards for ophthalmic preparations shall be those laid down in Schedule FF, and such preparations shall also comply with the standards set out in the Second Schedule to the Act.”

5. In Schedule A to the said rules,

(i) In Form 20-B, in the proviso to paragraph (ii) of condition 3,

(a) in clause (b), the word ‘or’ shall be added at the end;

(b) after clause (b), the following clause shall be added, namely:—

“(c) a manufacturer of beverages, confectional biscuits and other non medicinal products, where such drugs are required for processing these products;”

(ii) In Form 21-B, in the proviso to paragraph (ii) of condition 4,

(a) in clause (b) the word ‘or’ shall be added at the end;

(b) after clause (b), the following clause shall be added, namely:—

“(c) a manufacturer of hydrogenated vegetable oils, beverages, confectionary and other non-medicinal products, where such drugs are required for processing these products.”

6. After Schedule F of the said rules, the following Schedule shall be inserted, namely:—

‘SCHEDULE FF’

(See rule 126-A)

Standards for ophthalmic preparations.

Part-A Ophthalmic Solutions and Suspensions:

Ophthalmic Solutions and Suspensions shall—

(a) be sterile when dispensed or when sold in the unopened container of the manufacturer, except in case of those ophthalmic solutions and suspensions which are not specifically required to comply with the test for ‘Sterility’ in the Pharmacopoeia.

(b) Contain one or more of the following suitable substances to prevent the growth of micro-organisms.

(i) Benzalkonium Chloride, 0.01 per cent (This should not be used in solutions of nitrates or salicylates).

(ii) Phenyl mercuric nitrate, 0.001 per cent.

(iii) Chlorbutanol 0.5 per cent.

(iv) Phenyl ethyl alcohol 0.5 per cent.

Provided that solutions used in surgery shall not have any preservative and be packed in single dose container.

Provided further that the licensing authority may in his discretion authorise the use of any other preservative or vary the concentration prescribed for being satisfied that its use affords equal guarantee for preventing the growth of micro-organisms:—

- (c) be free from foreign matter.
- (d) be contained in bottles made of either neutral glass or soda glass specially treated to reduce the amount of alkali released when in contact aqueous liquids, or in suitable plastic containers which would not in any way be incompatible with the solutions.
The droppers to be supplied with the containers of opthalmic solutions and suspensions shall be made of neutral glass or of suitable plastic material and when supplied *separately* shall be packed in sterile cellophane, or other suitable packings.
- (e) In addition to complying with the provisions of labelling laid down in the rules the following particulars shall also be shown on the label:—
 - (1) of the containers
 - (i) The statement 'use the solution within one month after opening the container'
 - (ii) Name and concentration of the preservative if used.
 - (iii) The words 'NOT FOR INJECTION'
 - (2) of container or carton or package leaflet.
 - (i) Special instructions regarding storage, wherever applicable.
 - (ii) A cautionary legend reading as
"WARNING (1) If irritation persists or increases, discontinue the use and consult physician.
(ii) Do not touch the dropper tip or other dispensing tip to any surface since this may contaminate solutions."

Part B. Ophthalmic Ointments

Ophthalmic Ointments shall—

- (a) be sterile when dispensed or when sold in the unopened container of the manufacturer,
- (b) be free from foreign matter.
- (c) in addition to complying with the provisions for labelling laid down in the rules the following particulars shall be shown on the container or carton or package leaflet—
 - (i) Special instructions regarding storage wherever applicable.
 - (ii) A cautionary legend reading
"Warning:—If irritation persists or increases discontinue the use and consult physician."

7. In Schedule M to the said rules, the existing Note at the end shall be numbered as Note I and after Note I so numbered the following note shall be added, namely:—

"NOTE II—Schedule M gives equipments and space required for certain categories of drugs only. There are, in addition, other categories of drugs such as basic drugs, miscellaneous pharmaceuticals such as Ferri et Ammonii, Citras, Potassium Citras, Glycerine, Paraffins, Oxygen gas, Disinfectant fluids, mechanical contraceptives, surgical cotton and tinctures which are not listed in this Schedule. The licensing authority shall, in respect of such categories of drugs, have the

discretion to examine the adequacy or otherwise of factory premises, space plant machinery and other requisites, having regard to the nature and extent of the manufacturing operations involved and direct the manufacturer to carry out necessary modifications in them and on the modification having been made, approve of the manufacture of such categories of drugs. Any drug so permitted to be manufactured by the licensing authority shall be deemed to be an additional category of drug for the purpose of this Schedule and sub-rule (5) of rule 69".

[No. F.1-113/69-D.]

HAMIDULLAH KHAN, Under Secy.

(Department of Health)

New Delhi, the 27th December 1969

S.O. 24.—Whereas in pursuance of clause (f) of sub-section (2) of section 3 of the Prevention of Food Adulteration Act, 1954 (37 of 1954), the Central Government has nominated Lt. Col. O. N. Tyagi, Health Officer, Municipal Corporation of Delhi, as a member of the Central Committee for Food Standards vice Dr. B. D. Sharma;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 3 of the said Act, the Central Government hereby makes the following further amendment in the notification of the Government of India in the late Ministry of Health No. S.R.O. 1236 dated the 1st June, 1955, namely:—

In the said notification against item 23, for the entry "Dr. B. D. Sharma, Municipal Health Officer, Municipal Corporation, Delhi"; the following entry shall be substituted, namely:—

"Lt. Col. O. N. Tyagi, Municipal Health Officer, Municipal Corporation of Delhi, Delhi".

[No. F.14-45/69-PH.]

RAMESH BHADUR, Under Secy.

स्वास्थ्य, परिवार नियंजन, निर्माण, आवास एवं नगर विकास मन्त्रालय

(स्वास्थ्य विभाग)

नई दिल्ली, 27 दिसम्बर, 1969

एस० ओ० 24.—यतः खाद्य अपमिश्रण निवारण अधिनियम 1954 (1954 का 37) की धारा 3 की उपधारा (2) के खण्ड (च) का पालन करते हुए केन्द्रीय सरकार ने डा० बी० डी० शर्मा के स्थान पर दिल्ली नगर निगम के स्वास्थ्य अधिकारी ले० कर्नल ओ० एन० त्यागी को केन्द्रीय खाद्य मानक समिति के एक सदस्य के रूप में मनोनीत किया गया है ;

अतः अब उक्त अधिनियम की धारा 3 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्रीय सरकार एतद्द्वारा भारत सरकार के भूतपूर्व स्वास्थ्य मन्त्रालय की अधिसूचना संख्या एस० आर० ओ० 1236 दिनांक 1 जून, 1955 में आगे और निम्नलिखित संशोधन करती है, नामतः

उक्त अधिसूचना में मद संख्या 23 के सामने "डा० बी० डी० शर्मा, नगर निगम स्वास्थ्य अधिकारी नगर निगम दिल्ली" की प्रविष्टि के स्थान पर निम्नलिखित प्रविष्टि रखी जायेगी नामतः—

"ले० कर्नल ओ० एन० त्यागी, नगर निगम स्वास्थ्य अधिकारी, दिल्ली नगर निगम, दिल्ली" ।

[सं० एक० 14-45/69-जन स्वास्थ्य]

रमेश बहादुर, अवर सचिव ।

(Department of Works Housing and Urban Development)

New Delhi, the 27th December 1969

S. O. 26—In exercise of the powers conferred by section 3 of the Public Premises (Eviction of Unauthorised Occupants) Act, 1958 (32 of 1958), the Central Government hereby appoints the officers mentioned in column (1) of the Table below, being gazetted officers of Government, to be estate officers for the purposes of the said Act who shall exercise the powers conferred, and perform the duties imposed, on estate officers by or under the said Act within the local limits of their jurisdiction in respect of the public premises specified in the corresponding entry in column (2) of the said Table.

THE TABLE

| Designation of officer (1) | Categories of public premises and local limits of jurisdiction (2) |
|---|--|
| Deputy Directors of Supplies, Directorate of Supplies and Disposal, Calcutta. | Public Premises belonging to the Union of India, No. 97, Rash Behari Avenue at Calcutta, 29, P. S. Tollygunge, butted and bounded on all sides as follows:— North by 48 and 6B Deshapriya Park East; South by 95/1 Rash Behari Avenue and Rash Behari Avenue; East by 99 Rash Behari Avenue AND West by 95/1 Rash Behari Avenue and 1A and a portion of 2 Motilal Nehru Road. |

[No. F. 21011(4)/66-Pol. IV]

T. K. BALASUBRAMANIAM,

Deputy Director of Estates and Ex-officio Under Secretary to the Government of India.

DEPARTMENT OF COMMUNICATIONS

(P. & T. Board)

New Delhi, the 23rd December 1969

S.O. 26—In pursuance of para (a) of Section III of Rule 434 of Indian Telegraph Rules, 1951, as introduced by S.O. 627 dated 8th March, 1960, the Director-General, Posts and Telegraphs, hereby specifies the 16th January 1970 as the date on which the Measured Rate System will be introduced in Burdwan Telephone Exchange, West Bengal Circle.

[No. F. 5-57/69-PHB(2).]

HARKISHAN SINGH,

Asstt. Director General (PHA).

संचार विभाग

(डाक-तार बोर्ड)

नई दिल्ली, 23 दिसम्बर 1969

स्थापित आदेश क्रमसंख्या 26.—स्थापित आदेश क्रमसंख्या 627, दिनांक 8 मार्च, 1960 द्वारा लागू किये गये 1951 के भारतीय तार नियमों के नियम 434 के खण्ड III के पुराने

(क) के अनुसार डाक-तार महानिदेशक ने वर्तमान टेलीफोन केंद्र में 16-1-70 में प्रशस्ति दूर प्रणाली लागू करने का निश्चय किया है ।

[सं० 5-57/69-पी०एच०वी० (2)]

हर किशन सिंह सहायक महानिदेशक (पी० एच० बी०)

(P. & T. Board)

New Delhi, the 27th December 1969

S.O. 27.—In exercise of the powers conferred by the proviso to article 309 of the Constitution, the President hereby makes the following rules, regulating the method of recruitment to the post of Junior Analyst under the Posts and Telegraphs Directorate in the Department of Communications, namely:—

1. **Short title and commencement.**—(i) These rules may be called the Posts and Telegraphs Directorate (Junior Analyst) Recruitment Rules, 1969; (ii) They shall come into force on the date of their publication in the Official Gazette.

2. **Application.**—These rules shall apply to the post specified in column 1 of the Schedule annexed hereto.

3. **Number of post, classification and scale of pay.**—The number of post, its classification and the scale of pay attached thereto shall be as specified in columns 2 to 4 of the said Schedule.

4. **Method of recruitment, age limit and other qualifications.**—The method of recruitment, age limit, qualifications and other matters connected therewith shall be as specified in columns 5 to 13 of the Schedule aforesaid.

5. **Disqualifications.**—(a) No person, who has more than one wife living or who, having a spouse living, marries in any case in which such marriage is void by reason of its taking place during the life-time of such spouse, shall be eligible for appointment to the said post; and (b) no woman, whose marriage is void by reason of the husband having a wife living at the time of such marriage, or who has married a person who has a wife living at the time of such marriage, shall be eligible for appointment to the said post:

Provided that the Central Government may, if satisfied that there are special grounds for so ordering, exempt any person from the operation of this rule.

6. **Power to relax.**—Where the Central Government is of opinion that it is necessary or expedient so to do, it may, by order, for reasons to be recorded in writing, and in consultation with the Union Public Service Commission, relax any of the provisions of these rules with respect to any class or category of persons or post.

Recruitment Rules for the post of Junior Analyst in the posts and Telegraphs Directorate in Department of Communications.

| Name of Post | No. of Posts | Classification | Scale of pay | Whether selection Post or non-Selection post | Age for direct recruit | Educational and other qualifications required for direct recruits, | Whether age and educational qualifications prescribed for direct recruits will apply in the case of the promotees | Period of probation if any | Method of recruitment whether by direct recruitment or by promotion or by deputation/transfer & percentage of the vacancies to be filled by various methods. | In case of recruitment, by promotion/ deputation/ transfer, what is grades from which its promotion/deputation/ transfer to be made. | If a DPC. exists what is its position | Circumstances in which U.P.S.C. is to be consulted in making recruitment |
|----------------|--------------|---|---|--|------------------------|--|---|----------------------------|--|---|---------------------------------------|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Junior Analyst | One | General Central Service Class II Gazetted | Rs. 400— 25—500— 30—590— EB—30— 830—35— 900. | Not applicable. | Not applicable. | Not applicable. | Not applicable. | Not applicable. | By transfer on deputation. | Transfer on deputation. Officers holding analogous posts under the Central Govt. or Grade IV officers (Assistants) of the Central Secretariat Service with 10 years service in the | Not applicable. | As required under the Union Public Service Commission (Exemption from Consultation) Regulations, 1958. |

MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION

(Department of Labour and Employment)

New Delhi: the 19th December 1969

S.O. 28.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Bombay, in the industrial dispute between the employers in relation to the Universal Fire and General Insurance Company Limited, Bombay and their workmen, which was received by the Central Government on the 17th December, 1969.

**BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL NO. 2
BOMBAY**

REFERENCE NO. CGIT-2/13 OF 1968

PARTIES:

Employers in relation to Universal Fire and General Insurance Company Ltd.,
AND
Their Workmen.

PRESENT:

Shri N. K. Vani, Presiding Officer.

APPEARANCES:

For the Employer.—Shri G. M. Kothari, Advocate.

For the Workmen.—Shri J. G. Gadkari, Advocate and Shri K. S. B. Pillai,
Joint Secretary, All India Insurance Employees' Association.

INDUSTRY: General Insurance.

STATE: Maharashtra

Dated the 20th November, 1969

AWARD

By Order No. 74(5)/66-I.R.IV, dated 5th May, 1966, the Government of India, in the Ministry of Labour, Employment and Rehabilitation, (Department of Labour and Employment), in exercise of the powers conferred by sub-section (2) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947) referred to the Central Government Industrial Tribunal, Bombay for adjudication, an industrial dispute existing between the employers in relation to the Universal Fire and General Insurance Company Limited Bombay and their workmen represented by the All India General Insurance Employees' Association, Calcutta in respect of the matters set forth in the schedule mentioned below:—

SCHEDULE

"Whether the following demands put forward by the workmen are justified?"

Charter of Demands

All the demands contained herein below shall apply equally to all the employees employed in the Universal Fire & General Insurance Co. Ltd., throughout India.

I. Classification of Employees:

The employees will be classified into the following categories:—

- (a) Sweepers, Sepoys, Chaprasis, Daftaries & Peons shall be placed in Grade "A".
- (b) Drivers shall be placed in Grade "B".
- (c) Record Clerks shall be placed in Grade "C".
- (d) Assistants, Telephone Operators, Addressing Machine Operators, Typist, Receiving & Paying Cashiers, IBM Machine Operators shall be placed in Grade "D".
- (e) Junior Supervisory Staff variously termed as Higher Grade Assistants, Special Assistants, Senior Assistants, Senior Cashiers, Stenographers shall be placed in Grade "E".

(f) Senior Supervisory Staff variously termed as Superintendents, Assistant Superintendents, Head Clerks, Sectional Heads, Branch Accountants etc. shall be placed in Grade "F".

II. Scales of Pay :

| | |
|-----------|---|
| Grade "A" | Rs. 120—5/6—150—6/7—192—8/6—240 in 19 years. |
| Grade "B" | Rs. 180—6/2—192—8/6—240—10/3—270 in 11 years. |
| Grade "C" | Rs. 190—8/3—214—10/5—264—12/3—300—15/4—360 in 15 years. |
| Grade "D" | Rs. 200—10/4—240—15/10—390—20/4—470 in 18 years. |
| Grade "E" | Rs. 275—15/5—350—20/5—450—25/5—575 in 15 years. |
| Grade "F" | Rs. 350—30/6—530—40/4—690 in 10 years. |

III. Dearness Allowance:

Dearness Allowance shall be paid @ 1 per cent of basic pay for every rise of one point over the cost of Living Index figure of 100 (1949 = 100 Points) subject to minimum of Rs. 50/-.

All India Cost of Living Index shall be taken as the basic for calculating the Dearness Allowance.

IV. Adjustments and Merger of Dearness Allowance:

An employee shall be fitted into the new scales on a point to point basis. The basic pay and the Dearness Allowance as on 31st December 1964 shall be treated as basic pay only for the purpose of adjustment of basic pay to the new scale of pay.

If an employee is drawing more basic pay than what is warranted after proper adjustment as above, shall continue to receive the excess amount as personal pay and shall also be given usual annual increments.

V. Special Allowances:

Employees engaged in work mentioned below and/or designated as below shall be entitled to Special Allowance per mensem in addition to their salaries and emoluments in the manner stated below:—

- Bank Peons, Despatch Peons, Head Peons, Daftaries, Duplicating Machine Operators and such other employees: Rs. 20/- per month.
- Typists, Perforating Machine Operators, Telephone Operators, Paying & Receiving Cashiers, Cashiers IBM Machine Operators and such other employees: Rs. 30/- per month.

VI. Special Increments:

Besides the above, the employees under Grades "D" and "E" shall be entitled to Special Increments for passing the following examinations on the scale shown against each examination.

| | |
|--|---------------------------------|
| On Graduation | 2 Increments. |
| On passing the following examinations: | |
| 1. Licentiate of A.C.I.I.—Part I | } 1 Increment for each Part. |
| 2. A.F.I.I. Part I or A.C.I.I.—Part II | |
| 3. A.F.I.I. Part II or A.C.I.I.—Part III | |

N. B.:—A graduate appointed as an Assistant shall get a higher starting salary by two increments. Those graduate Assistants who have not received the Graduation increments shall also get two increments.

VII. Other Allowances:

- Overtime Allowance.**—An employee working overtime shall be entitled to 'Overtime Allowance' for such period of work rendered at the rate of double the hourly rate of wages inclusive of Special Allowance and all other allowances. No employee shall be engaged in for overtime work for more than 90 hours in a Calendar year.
- Officiating Allowance.**—(i) If an employee is required to officiate in a higher post, he shall be entitled to an 'Acting Allowance' at the rate of 20 per cent of his salary for the period for which he officiates.

- (ii) If an employee is required to act in a post for which Special pay is provided, he shall be entitled to *pro rata* Special Allowance for the period of such work done.
- (c) *House Rent Allowance*.—All the employees shall be paid as 'House Rent' a sum at the rate of 20 per cent of their basic salary per mensem, subject to a minimum of Rs. 40/-.
- (d) *Lunch Allowance*.—The Company shall pay to each employee Rs. 2/- per working day as Lunch Allowance.
- (e) *Washing Allowance*.—Each member of sub-staff shall be paid Washing Allowance of Rs. 10/- per month for washing the uniforms.
- (f) *Conveyance Allowance*.—Every employee shall be paid a Conveyance Allowance of Rs. 10/- per month.

VIII Amenities:

Subsidies:—

- (i) Text Books for A.C.I.I. or Federation of Insurance Institute examination shall be supplied by the Company in turn. Examination fee shall be paid by the employer after the employee passes the examination.
- (ii) Adequate subsidy shall be given for Sports, Recreation and Cultural activities of the employees.
- (iii) All the employees shall be entitled to a Free Personal Accident (Annual) Policy, the premium of which shall be borne by the employer. The sum assured of such a policy shall be Rs. 10,000/-, Rs. 7,500/-, Rs. 5,000/-, and Rs. 2,500/-, for the employees in Grades F, E, D & C, B & A respectively.
- (iv) The employer shall introduce salary saving scheme for the purpose of direct deduction of premium towards the Life Policy of the employees.
- (v) Adequate subsidy shall be given for cheap canteens for supply of wholesome food to the employees in each of the Office Premises.
- (vi) The Company shall provide two cups of tea—one in the morning and one in the evening—to each of the employees on working days.
- (vii) The Company shall provide Water Cooler for supply of drinking water to the employees.

IX. Free Medical Aid:

All medical expenses incurred by the employees and their family members shall be reimbursed by the employer without any reservation. For this purpose, Medical expenses shall mean and include cost of medicines, Doctors' bills, Specialists, cost of 'X' Ray and other Special expenses prescribed by Medical Practitioners. Hospital charges and all other expenses required for recovery as prescribed by Medical Practitioners.

X. Gratuity:

On retirement or retrenchment or on death or on total and permanent disability of an employee while in the service of the Company:

One month's basic salary for each year of continuous service.

On resignation from service after completion of 5 years continuous service:

One month's basic salary for each year of continuous service

On termination of service by the Company:

One month's basic salary for each completed year of service.

The salary for the purpose of calculating Gratuity shall be the terminal basic salary payable by the employees previous to death, disablement, retirement, resignation, retrenchment or termination of service as the case may be.

XI. Retirement Age:

The age of retirement of an employee shall be 60 years.

XII. Provident Fund:

- (i) All permanent employees including part-time employees should be made members of the Provident Fund.

- (ii) The rate of contribution should be 10 per cent of the total emoluments i.e. basic pay plus dearness allowance plus special allowances, if any, with equal contribution by the Company. The employee, should, however, be allowed to contribute voluntarily upto 15 per cent of their salary without corresponding contribution from the Company.
- (iii) Interest at a minimum rate of 4½ per cent should be paid on the total contribution by the employees and the Company;
- (iv) Unclaimed fund should be distributed *pro-rata* every two years amongst the existing employees from time to time.
- (v) Full benefits of the fund should be permitted to the employees on completion of 2½ years of service.
- (vi) Loan from the Provident Fund to the extent of six months salary 90 per cent of the employees' contribution whichever is less shall be granted to the employees at a time.

Board of Trustees.—On the Board of Provident Fund Trust the employees and the employer should have equal number of representatives. The employees representatives should be elected by themselves by simple majority of votes. Re-election of the employees' representatives should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.

XIII. Leave:

Casual Leave.—Fifteen days casual leave should be given in a Calendar Year. Six days casual leave may be granted at a stretch. Casual leave may be prefixed and suffixed to holidays and sundays.

Privilege (earned) Leave.—Privilege leave should be allowed to all employees at the rate of 1 day for every 11 Calendar days. Employees should be allowed to accumulate leave upto six months. Return Fare to the employee, his wife and dependents should be granted once in two years for going anywhere in India.

Privilege leave should be allowed to be encashed in the event of an employee ceasing to be a member of the staff.

Sick Leave.—Thirty days Sick leave per year should be allowed on full pay to the employees with a maximum accumulation of twelve months. In case of prolonged illness further sick leave with half pay should be allowed upto six more months and another six months without pay.

Maternity Leave.—Maternity leave upto the period of three months shall be allowed to all female employees.

Examination Leave.—Employees shall be allowed adequate leave for appearing in all the recognised examinations in addition to all other leave.

Special Leave.—Adequate leave shall be allowed to the Union Representatives and Office Bearers of the All India Insurance Employees' Association and or its affiliated units to enable them to attend meetings and conferences of the Unions and their Central Organisations and to participate in the Tribunals and Conciliation Proceedings.

Furlough Leave.—Employees on retirement shall be granted six months leave as 'Leave preparatory to retirement' or in lieu thereof six months' total salary should be paid.

XIV. Security of Service:

No employee shall be victimised for Trade Union activities.

XV. Working Hours:

The working hours for employees in Grades C, D, E & F shall be thirty-three hours a week and thirty-six hours for employees in Grades A & B. A Grace time of 15 minutes shall be allowed before they are marked late.

XVI. Bonus:

Customary.—Employees shall be paid three months basic salary as bonus per year and the same shall be paid on or before 30th June of every year.

XVII. Uniforms to Employees in the Grades A and B:

An employee of Grade A & B shall be provided with the following outfit annually:—

1. *Summer Uniforms*.—Two sets—one addition summer uniform shall be provided where winter uniform is not necessary.
2. *Winter Uniform*.—One set in two years.
3. *Umbrella*.—One.
4. *Footwear*.—Two pairs.
5. *Rain Coat*.—One for those who are to do out door duties.
6. *Caps or Turbans*.—One.

XVIII. Allowance during Suspension:

During the suspension of an employee, he shall be paid an allowance equal to 75 per cent of his total wages.

XIX. Confirmation:

Employees shall be confirmed after three months probationary service automatically.

XX. Temporary Staff:

The Company may employ temporary employees for performing duties of purely temporary nature. But such staff in no instance shall exceed more than three months in temporary/service after which he shall be treated automatically in permanent service from the date of appointment.

XXI. Promotion:

No direct recruitment shall be made in Grades C, E, & F and all vacancies in these grades shall be filled in by way of promotion. The promotions shall be made on the basis of seniority and merits of the employees. Employees in the grade A, B & C shall be absorbed in grade "D" on passing S.S.C., S.S.L.C., or equivalent examinations.

XXII. Conversion of Typists:

Conversion of typists to clerical cadre shall be allowed without any deduction in total remuneration.

XXIII. Heating Arrangement:

For Delhi Region and the other places where the climate is extremely cold, the employee doing the typing work shall be provided with electric heating arrangement during winter season.

XXIV. Transfer:

No employee shall be transferred from one place to another without his prior consent.

XXV. Tiffin Room:

The Company shall provide a tiffin room with sitting accommodation for the purpose of lunch, tea, etc.

XXVI. Sectional Holidays:

A minimum of ten days shall be given as paid Sectional Holidays for all employees (on a restricted worktime basis of not less than 3 hours on each holiday) in a Calendar Year.

XXVII. Date of Effect:

All benefits stated in this Chapter of Demands shall have effect from the 1st of January, 1965.

XXVIII. Trade Union Rights:

The All India Insurance Employees' Association and its affiliated units shall be given due recognition and such facilities as providing Trade Union Offices and holding Trade Union Meetings in Office premises and hanging Notice Boards of the Union should be granted.

XXIX. Existing Rights and Privileges:

Nothing contained in this Chapter shall adversely affect or take away from any employee or group of employees any right, privileges or usages, practice or

conventions, amenities or other conditions of service that are already vested in or enjoyed by such employee or group of employees.

2. Later on, the Central Government by Order No. 22/8/68-Lk111 dated 25th November 1968, transferred the reference to this Tribunal No. 2, Bombay.

3. The facts giving rise to this reference are as follows:—

(i) The existing pay-scales, Dearness Allowance and other conditions of service of the employees employed in the Head Office at Bombay, and branches at Delhi, Ahmedabad and Anand, by the company under reference i.e. the Universal Fire and General Insurance Company Ltd, are detailed in the Annexure 'B' to Ex. 1/W. This settlement expired on 31st December 1964. The same was terminated by giving two months' notice on 11th January 1965.

(ii) The service conditions of the employees at Nagpur were the same as those of the Anand Branch employees, mentioned in the Annexure 'B' to Ex. 1/W. The employees in Calcutta are governed by a separate settlement dated 3rd July 1964. A copy of this settlement is Annexure 'C' to Ex. 1/W. This settlement expired on 31st December, 1965. The same was terminated by giving two months notice on 6th January 1966.

(iii) The All India Insurance Employees' Association submitted a charter of demands on the management of the company on or about 10th March 1965, on behalf of all the workmen and the company's branches throughout the country.

4. According to the Association, the service conditions of the workmen in the company are very much inadequate and require radical changes. The Pay Scales are related to the base year 1939 and the Dearness Allowance is not linked with Consumer Price Index. It is by now well recognised that relating the basic pay scales to the 1939 base year is quite unrealistic and the time has come when the base year has to be shifted to the 1949 price level, if not 1960 price level for the purpose of determining the scales of pay. In the absence of linking the Dearness Allowance with the Consumer Price Index, great hardship is caused to the workmen in as much as the real wages of the workmen have gone down, very rapidly as the prices have been rising too steeply. The wage structure in a number of other Insurance Companies has undergone a complete change during the period, so much so a substantial portion of the Dearness Allowance has been merged with the basic salary in a number of Insurance companies, the Banking Industry, Central Government offices, Oil Companies and several other establishments and the Dearness Allowance has been linked with the Consumer Price Index in almost all the industries. Thereby, automatic adjustments in the Dearness Allowance takes place, resulting in neutralisation of any rise in the cost of living to some extent.

5. According to the Association, there has been a substantial change in the circumstances since the previous settlements were arrived at. The Financial position and paying capacity of the company, as well as the industry as a whole has improved materially entitling the workmen to claim a living wage. Further, the whole concept of wages and the entire wages structure in almost all the industries has also been changing. The previous settlements were arrived at on an 'ad-hoc' basis. They cannot be used by the employer as an argument or as a basis for the present adjudication.

6. According to the Association, it made efforts to arrive at an amicable settlement with the management but all their efforts failed to bear any fruit. However, both the parties, ultimately agreed to refer the demands in question for adjudication under s. 10(2) of the Industrial Disputes Act, 1947 by a Settlement dated 19th October, 1965. A copy of this settlement is Annexure 'D' to Ex. 1/W. By this settlement, the management also agreed to give an interim relief as mentioned therein.

7. On the receipt of the joint application by the Central Government for reference of the industrial dispute existing between the parties in respect of the matter set forth in the application and reproduced in the Schedule mentioned above, this reference was made.

8. At the outset it may be noted that the Universal Fire and General Insurance Company Limited will be hereinafter referred to as 'the Company' and the All India Insurance Employees' Association, Calcutta will be hereinafter referred to as 'the Association'

9. The company has filed written statement at Ex. 1/E and rejoinder at Ex. 2/E raising various contentions for not allowing the demands of the workmen. The Association has filed written statement at Ex. 1/W and the replication at Ex. 2/W mentioning various grounds in justification of their demands made in this reference.

10. The dispute referred to this Tribunal is regarding revision of existing scales of pay, Dearness Allowance and other service conditions including Gratuity, Provident Fund, leave, etc.

Demand No. 1: Classification of Employees:

11. As regards Demand No. I, the case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 18 and 19 is as follows:—

"At present there is no scientific and proper classification of employees into different categories. The employees are not placed in the grades appropriate to the nature of duties performed by them. Moreover, the employees who are required to perform the duties which call for higher skill, educational qualifications and experiences are not given any higher status of scales of pay. Proper recognition is not given to the skill and efficiency shown by the employees in relation to the job performed by them. It is, therefore, absolutely necessary that the classification of employees into different categories as well as their pay scales be introduced. The Association, therefore submits that the workmen may be re-classified into the following categories:—

- (a) Sweepers, Sepoys, Chhaprasis, Daffaries and Head Peons shall be placed in Grade "A".
- (b) Drivers shall be placed in Grade "B".
- (c) Record Clerks shall be placed in Grade "C".
- (d) Assistants, Telephone Operators, Addressing Machine Operators, Typists, Receiving and Paying Cashiers, IBM Machine Operators shall be placed in Grade "D".
- (e) Junior Supervisory staff variously termed as Higher Grade Assistants, Special Assistants, Senior Assistants, Senior Cashiers, Stenographers shall be placed in Grade "E".
- (f) Senior Supervisory staff variously termed as Superintendents, Assistant Superintendents, Head Clerks, Sectional Heads, Branch Accountants, etc. shall be placed in Grade "F".

"While making the demand for the reclassification of the employees, the Association has taken into account the existing classification of employees in the Insurance Industry as a whole and has also taken into account the nature of work performed by each category of employees. The Demand is based on a very scientific and proper job evaluation of each category of workmen. The reclassification of the employees on the above basis will introduce uniformity and standardisation in the entire Insurance Industry in this behalf."

12. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 18 is as follows:

"The Company has already got so many as six categories of employees. In fact, considering the strength of the staff at the Head Office so many classifications are not at all necessary. However, since the existing position cannot be disturbed, we prefer not to suggest any reduction in the number of classifications. In any case, there is no case for re-classifying any particular category of employee and the demand put up by the Union is unwarranted and uncalled for. Several comparable units have only three or four classifications."

13. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E paras 14 and 15 is as under:—

"Referring to paragraph 18 of the Statement of Claims, it is submitted that the present classification is scientific and has been evolved as a result of past experience over a period of years. The Union has also approved of it till now. This has worked extremely well and there is no justification for now changing it in any manner whatsoever."

There are as many as 6 classifications and considering the size of the Company, those are more than adequate. Except for certain employees recruited in recent years, most of the old employees cannot boast of decent educational qualifications nor have they made any effort to improve their knowledge or skill. The Management has always seen to it that proper recognition is given to those who are efficient and the allegations made by the Union to the contrary are denied. Having regard to the extent of the operations conducted by the Company in each of the Departments, it is submitted that the existing classifications are absolutely fair and reasonable. The nature of work and responsibility of the Workmen concerned, has been fully taken into account. There is no scope for the "fragmentation" of duties to the extent suggested by the Union in an Insurance Company of our size. Besides, there is very little difference, if any, between the ability and educational qualifications of a major portion of the Members of the clerical staff vis-a-vis one another. There is, therefore, no sense in altering the existing classifications or adding to such classifications. The Company craves leave to make its submissions in this regard at the time of hearing."

"Referring to paragraph 19 of the Statement of Claims, existing classifications of employees of the Company are in consonance with what is obtaining in Units of comparable size in the industry. It is further submitted that there is nothing "scientific" about the new classifications suggested by the Union. It is merely an indirect and "veiled" attempt to increase the financial burden of the Company as a result of suggested re-classification. The approach of the Union is arbitrary as well as unreal."

14. The Association in its replication Ex. 2/W on page 11 says:—

"The company is already having these categories of employees and the demand also proposes classifications of employees into these categories. The only dispute is in regard to shifting of certain employees from one category to the other. It is submitted that the classifications as demanded by the workmen in their Charter of Demands is most scientific and in accordance with the various decisions of Tribunals and the same should be accepted by the Management."

15. The existing classification of employees in the company in question as shown in Annexure "B" to Ex. 1/W is as follows:—

| Cadre/Grade/Category | Designation |
|----------------------|--|
| (a) | Clerks & Typists |
| (b) | Junior Assistants, Asstt. Cashier and Stenographers. |
| (c) | Cashiers and Senior Asstts. |
| (d) | Recorders. |
| (e) | Drivers. |
| (f) | Lower Grade (Peons). |

16. The Association's case is that the demand for re-classification of the employees is made taking into account the existing classification of employees in the Insurance Industry as a whole and the nature of work performed by each category of employees. It further contends that this demand is based on a very scientific and proper job evaluation of each category. This re-classification of employees on the above basis will introduce uniformity and standardisation in the entire Insurance Industry.

17. The Association has not adduced any evidence to show as to how the demand is based on a very scientific and proper job evaluation of each category of workmen. In the absence of convincing and reliable evidence, the Association's demand for re-classification of employees cannot be accepted. In my opinion, the existing classification in the company in question as referred to above is quite sufficient. It is quite practicable and workable.

18. I am, however, of the view that the classification of various employees prevailing in the Head Office at Bombay should be made uniform in all the branches of the company at all places all over India. In the end I reject the demand No. 1 for re-classification of employees but however pass the following order:—

ORDER

The existing classification of employees at the Head Office of the company in Bombay should be introduced in all the branches of the company at all places.

DEMAND NOS. II AND III:—SCALES OF PAY AND DEARNESS ALLOWANCE:

19. The next point for consideration is whether the scales of pay, Dearness Allowance and other service conditions of the employees in the company need revision. My finding on this point is in the affirmative for the following reasons:—

20. The existing scales of pay and Dearness Allowance of the employees in the company in the Head Office at Bombay and branches at Delhi, Ahmedabad, Anand and Nagpur are as follows:—

Pay Scales :

| | |
|--|--|
| (a) Clerks & Typists | Rs. 75—8—123—10—183—12—243—EE—15—318—17—335 (23 years) |
| (b) Junior Assistants, Asstt. Cashiers & Stenographers | Rs. 105—10—155—13—220—15—310—EB—15—340—20—360 (19 years) |
| (c) Cashiers and Senior Asstts. | Rs. 120—12—180—15—270—EB—20—410 (18 years) |
| (d) Recorders | Rs. 55—5—75—7—110—8—126—EB—8—174 (17 years) |
| (e) Drivers | Rs. 75—5—150 (15 years) |
| (f) Lower Grade (peons) | Rs. 35—3—50—4—70—5—110 (18 years) |

Dearness Allowance :

Basic Salary per Month

Dearness Allowance per Month

For basic salary upto Rs. 100/- Rs. 80/- minimum.

For basic salary between Rs. 101/- and Rs. 200/- Rs. 80/- plus 20% on portion of salary in excess of Rs. 100/-

For basic salary between Rs. 201 and Rs. 300/ Rs. 100/- plus 15% on the portion of salary in excess of Rs. 200/-

For basic salary between Rs.301 and above Rs. 115/- plus 10% on the portion of salary in excess of Rs. 300/-
The maximum of the Dearness allowance will be Rs. 125/

21. It appears that subsequent to the settlement dated 15th September, 1962, annexure 'B' to Ex. 1/W, an additional amount of Rs. 10/- was granted to each employee to compensate the fault detected by the "Lakdawalla Committee" in the Consumer Price Index Number for working class of Bombay of 1934. This increase was granted from 1st July, 1964.

22. After the increase of Rs. 10/-, under the agreement for reference for adjudication dated 19th October, 1965, an amount of Rs. 15/- was granted in the dearness allowance with effect from 1st January, 1965.

23. During the pendency of the reference an agreement for further Interim Relief was arrived at on 20th November, 1967. Under the said settlement, an Interim relief of 15 per cent of basic pay and dearness allowance and other allowances with a maximum of Rs. 60/- and a minimum of Rs. 30/- was granted with effect from 1st April, 1967.

24. It will be clear from the above mentioned facts that the Dearness Allowance mentioned in the original settlement no longer exists. The minimum amount of Rs. 80/- has been increased to Rs. 135/- and the maximum of Rs. 125/- has been increased to Rs. 210/-.

25. The existing scales of pay and Dearness Allowance of the employees in the Calcutta branch office of the company are as follows:—

Scales of Pay :

| | |
|---------------|--|
| 'A' Grade | Rs. 120—10—190—15—295—EB—20—395 (in 19 years) |
| 'B' Grade | Rs. 80—7—50—140—10—200—EB—15— 320 (in 22 years) |
| Stenographers | Rs. 100—10—170—12' 50—245—EP—15 365 (in 21 years) |
| Sub-Staff | Rs. 50—3—71—4—95—5—125 (in 19 years) |
| Jamadar | Rs. 60—5—70—7' 50—135—10—165 (in 15 years) |
| Driver | Rs. 65—5—105—7' 50—150—10—180 (in 17 years) |

Dearness Allowance :

(a) Employees in Grade 'A' & 'B' and Stenographers under Clause 1 above.

| | |
|---------------------------------------|--|
| Below and upto Rs. 100/- Basic salary | Rs. 75/- per month (minimum) |
| Above Rs. 100/- basic salary | Rs. 75/- plus 20% of the basic salary in excess of Rs. 100/- subject to a maximum Dearness Allowance of Rs. 150/- per month. |

(b) For all other employees (sub-staff Jamadar Driver) Rs. 65/- flat per month.

26. During the pendency of the reference an agreement for Interim Relief was arrived at on 20th November, 1967. Under this agreement an Interim relief of 15 per cent of the basic pay and Dearness Allowance subject, of course, to a maximum of Rs. 60/- per month or a minimum of Rs. 30/- per month, was granted with effect from 1st April, 1967.

27. It will be clear from the above mentioned facts that the Dearness Allowance mentioned in the original settlement at Annexure 'C' to Ex. 1/W in respect of the employees of the company in Calcutta branch office no longer exists. Maximum of Rs. 150/- has been increased to Rs. 210/- and the minimum has been increased to Rs. 95/-.

28. According to the learned Advocate Shri Gadkari for the Association,

- (i) the existing scales of pay are inadequate.
- (ii) the pay scales are related to the base year 1939.
- (iii) the Dearness allowance is not linked with the Consumer Price Index
- (iv) there has been substantial change in the circumstances since the settlements were arrived at.
- (v) the previous settlements were arrived at on an ad-hoc basis.
- (vi) for these reasons, the existing scales of pay, Dearness Allowance and other service conditions of the employees of the company be revised.

29. According to the learned Advocate Shri Kothari for the company,

- (i) the scales of pay agreed upon in 1962 are very fair and reasonable. They should be allowed to be continued undisturbed in future.
- (ii) the scales agreed upon were intended to be long term.
- (iii) there have been number of revisions since 1955, and process of revision must end.
- (iv) it is only once in a while and only when the scales of pay are very low and out of date the question of revision could at all be considered.
- (v) no change in the circumstances has taken place so as to warrant revision in the scales and the grades.
- (vi) there is no justification for the revision of the existing scales of pay, Dearness Allowance and other service conditions of the employees in the company.

30. The existing scales of pay, Dearness Allowance and other service conditions of the employees were the outcome of two agreements between the parties.

The first agreement dated 15th September, 1962 is annexure 'B' to Ex. 1/W. It expired on 31st December, 1964. It was terminated by two months notice dated 11th January, 1965. The second agreement dated 3rd July, 1964, annexure 'C' to Ex. 1/W is regarding the employees in Calcutta. It expired on 31st December, 1965. It was terminated by two months notice on 6th January, 1966.

31. While making joint application for referring the dispute to the Tribunal, the company agreed to give an increase of Rs. 15/- to the workmen in the form of Dearness Allowance as mentioned in clause 3(b) in the Memorandum of agreement for reference for adjudication (annexure 'D' to Ex. 1-W) dated 19th October, 1965, with effect from 1st January, 1965. It has also agreed to consider further interim relief in case the award of the Tribunal was not given within one year (vide para 6 in annexure 'D' to Ex. 1/W). The reference was made to the Tribunal in May, 1966. It is common ground that the second Interim relief was given in 1967. The circumstances that two interim reliefs have been given by the employers to its employees since 1965 and Rs. 10/- more on account of fault detected by Lakdawalla Committee in the working class consumer price index of 1934 leads to infer that the existing scales of pay, Dearness Allowance and other service conditions of the employees were not adequate and that there has been change in the cost of living since 1962 onwards.

32. The statement showing all India Working Class Consumer Price Index number, base year 1949 = 100 for the year 1962 to 1968 is as follows:-

| Name of the month | Index Nos. in 1962 | Index Nos. in 1963 | Index Nos. in 1964 | Index Nos. in 1965 | Index Nos. in 1966 | Index Nos. in 1967 | Index Nos. in 1968 |
|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| January | 127 | 130 | 140 | 165 | 173 | 197 | 220 |
| February | 127 | 129 | 142 | 162 | 174 | 198 | 217 |
| March | 127 | 130 | 143 | 159 | 174 | 200 | 213 |
| April | 128 | 131 | 144 | 167 | 175 | 202 | 214 |
| May | 129 | 132 | 147 | 161 | 181 | 206 | 212 |
| June | 130 | 134 | 150 | 163 | 185 | 211 | 214 |
| July | 132 | 135 | 154 | 168 | 188 | 213 | 213 |
| August | 133 | 136 | 156 | 170 | 190 | 215 | 216 |
| September | 133 | 137 | 159 | 172 | 191 | 214 | 218 |
| October | 134 | 138 | 163 | 172 | 192 | 217 | 219 |
| November | 133 | 138 | 163 | 173 | 194 | 216 | 214 |
| December | 131 | 140 | 164 | 173 | 197 | 214 | .. |

33. A perusal of this statement clearly shows that consumer Price Index number has gone high from 127 in January, 1962 to 214 in November, 1968. At the time of making reference on 15th March, 1966 the consumer price index number was 181. It is clear that there was a rise by 54 points.

34. As the cost of living is going high since 1962, the existing scales of pay, Dearness Allowance and other service conditions of the employees need some revision. The case for revision of the wage structure exists when there has been a rise in the cost of living and consequent change in the economic conditions in the region since the time when the wage scales were last fixed. The ruling in the French Motor Co. Ltd. and their workmen reported in 1962 II, L.L.J. page 744 supports this view.

35. The Association contends in its statement of claim at Ex. 1/W. para. 59 that the existing wages of the employees in the company are less than the minimum need based wage standard. The minimum wage is the starting point and the irreducible minimum below which no industry should be allowed to go. It must be at a level above the bare minimum required for mere subsistence and bare physical needs of the workers and his family and must provide also for the preservation of the efficiency of the workers and for some measure of education for his children, medical requirements and amenities. It is the lowest limit or floor

below which no workers should be paid. It should be fixed solely on the requirements of the workers and his family and in fixing the minimum wage no regard should be had to the capacity of the Industry to pay, because the Industry which cannot pay the minimum wage had better not exist at all. It has been laid down in the case of Crown Aluminium Works Vs. their workmen, 1958—I, LLJ, Page 1, that if an Industry is unable to pay to its workmen atleast a bare minimum wages, it has no right to exist. The same view has been also taken in the case of Express News Papers Vs. Union of India and others, 1961, I, LLJ, Page 3399. In view of this legal position it is crystal clear that if the existing scales of pay and Dearness Allowance are below the need based wage standard, they will have to be revised irrespective of the fact as to whether the company has got paying capacity or not.

36. The minimum wages for the average family has to be based on the requirements for (1) Food, (2) Clothing, (3) Housing, (4) Fuel and lighting, (5) Preservation of health and efficiency, (6) Childrens' education, (7) Medical requirements, (8) Recreation, (9) Social obligations and other amenities.

37. The next question is as to what should be the size of the family. Another question is what constitutes and satisfies the requirements of the family of a worker in terms of money. Both these questions have been exhaustly dealt with by the 15th Tripartite Indian Labour Conference held at Delhi in 1957. The said Conference was attended by the representatives of the employers, employees and various State Governments. This conference made a resolution, regarding minimum need based wage. The salient features of its resolution are as follows:—

"While accepting that minimum wage was need-based and should ensure the minimum needs of the industrial worker, the following norms were accepted as a guide for all wage fixing authorities including minimum wage committee, wage boards, adjudicators etc.

- (i) In calculating the minimum wage a standard working class family should be taken to comprise three consumption units for one earner, the earnings of women, children and adolescents being disregarded.
- (ii) Clothing requirements should be estimated 72 yards per annum for a worker's family of four persons.
- (iii) Minimum food requirements should be calculated on the basis of Dr. Akroyd's recommendations for an average Indian adult of moderate activity.
- (iv) In estimating house rent for purposes of fixing the minimum wage the rent for the corresponding minimum area provided for in the Government Industrial Housing Scheme should be taken into consideration.
- (v) Fuel, lighting and other miscellaneous items should constitute 20 per cent of the total minimum wages."

38. According to the Association, the food expenditure on 4.8 consumption unit family at the cost of living index figure of 360 with 1939=100 as base year will be Rs. $7.50 \times 4.8 \times 3.6 =$ Rs. 130. It has been found by various enquiry committee that Rs. 6/- for food, Rs. 1.50 for spices was necessary on the cost of living of 1939 for every consumption unit of working class family. The expenditure of clothing of 85 yards per annum for a family of 4.8 units will be Rs. 10/- per month taking Rs. 1.50 as the price per yard in that year. In respect of housing also Rs. 30/- may be taken as the basis for calculating the pay scales. To the above, expenditure will be added 20 per cent as the miscellaneous expenses. The total amount would come to Rs. 204/-.

39. According to the Association, it has been calculated that for August 1959 price, in the City of Bombay, the minimum need based wage on 3 consumption unit family comes to Rs. 221/-. Even if we calculate the figures on the basis of 3 consumption units the minimum need based wage for an unskilled worker in terms of 16th Indian Labour Conference norms, 1949 price level, will be much above the level of Rs. 120/- as demanded by it.

40. According to the Association, the minimum wage of a middle class employee should be substantially higher than that of a subordinate employee. A middle class employee is called upon to meet higher responsibility and obligations which an industrial worker is usually not called upon to meet. It has been now universally accepted that a considerable co-efficiency has to be added in the case of middle class employee to the cost of living calculated for the industrial worker. Justice Rajyadhaksha has calculated that the co-efficient should be 80 per cent. Adding

80 per cent co-efficient to Rs. 204/- a middle class employee will need Rs. 367/- for satisfaction of his minimum requirements. This calculation is further borne by the Survey of Middle Class families by the Central Statistical Organisation in 1958-59. The said survey has indicated that the monthly average family expenditure of a middle class family in Bombay during the year 1958-59 was Rs. 380.94. In spite of this forceful support it has demanded a minimum salary of Rs. 200/- per month.

41. It is clear from the above say of the Association that the existing wages of the employees in the company are lower than the minimum need based wage standard.

42. On examining the existing wages of the employees in the company in the light of the present high cost of living, the resolution of the 15th Tripartite Indian Labour Conference held at Delhi in 1957 and the Survey of middle class family by the Central Statistical Organisation made in 1958-59, I am of the view that the existing scales of pay of the employees in the company are below the need base standard. Hence they require upward revision irrespective of the fact whether the company has got paying capacity or not.

43. The existing scales of pay were the results of agreements between the parties. These settlements were arrived at on an *ad-hoc* basis. They therefore need revision.

44. The Association contends that the existing scales of pay are related to the base year 1939 and Dearness Allowance has not been linked with the Consumer Price Index. As there has been abnormal rise in the cost of living since 1959, the scales of pay and rates of dearness allowance deserve to be revised.

45. The next point for consideration is whether the financial position of the company is sound or not. My finding on this point is in the affirmative for the following reasons:—

46. The Association contends that the financial position of the company is sound and that it is in a position to pay fair wage but it is not paying even the minimum wage.

47. In fixing the wage structure on a fair wage basis the Tribunal has to consider, not only the wages paid, in similar concerns in the same region, but also the financial capacity of the company to bear the burden of the increase.

48. The learned Advocate Shri Kothari for the company contends that the company is a small company that its financial position is not sound and that it cannot bear the additional burden of even a single pie. This contention cannot be accepted.

49. The Association has produced a statement of company's progress for 10 years i.e. from 1956 to 1965 as annexure 'A' to Ex. 1/W. It is as follows:—

| Years | Co.'s Total net premium | Co.'s management expenses | Co.'s net profit | Divident to share holders | Assets |
|----------|-------------------------|---------------------------|------------------|---------------------------|-------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1956 . . | 33,16,941/- | 11,85,470/- | 49,826/- | 0.63(8.15%) | 12,69,579/- |
| 1957 . . | 31,88,061/- | 12,16,508/- | 80,025/- | 1.00 (10%) | 13,59,611/- |
| 1958 . . | 35,44,785/- | 15,34,664/- | 1,65,256/- | 1.25 (12.5%) | 45,69,164/- |
| 1959 . . | 39,01,990/- | 13,51,503/- | 2,81,751/- | 2.00 (20%) | 19,77,756/- |
| 1960 . . | 38,65,215/- | 14,92,813/- | 3,12,359/- | 2.00 (20%) | 52,57,850/- |
| 1961 . . | 41,22,800/- | 15,18,492/- | 4,22,694/- | 2.00 (20%) | 61,12,137/- |
| 1962 . . | 41,00,828/- | 14,51,906/- | 3,06,495/- | 1.50 (15%) | 60,93,279/- |
| 1963 . . | 44,57,948/- | 13,09,004/- | 2,88,154/- | 2.00 (20%) | 61,75,918/- |
| 1964 . . | 45,11,264/- | 13,62,381/- | 4,21,379/- | 2.00 (20%) | 68,52,308/- |
| 1965 . . | 47,56,308/- | 15,36,328/- | 6,22,779/- | 2.00 (20%) | 75,32,753/- |

50. The Association also produced a statement showing the financial capacity of the company at Ex. 5/W and a comparative statement showing paid up capital, Gross Premium Net premium, Management Expenses, Profit & percentage of Net Profit to Paid up Capital of various General Insurance Companies at Ex. 10/W. The statement at Ex. 5/W is as follows:—

| Year | Paid up Capital | Gross Premium | Net Premium | Management expenses | Profit |
|------------|-----------------|---------------|--------------|---------------------|--------------|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| 1959 . . . | 6,57,870/- | 40,59,281.25 | 39,04,909.54 | 13,59,435.90 | 2,84,751.33 |
| 1960 . . . | 6,57,870/- | 37,62,533.50 | 38,65,245.65 | 15,00,419.59 | 3,13,359.51 |
| 1961 . . . | 6,57,870/- | 43,10,287.05 | 41,22,800.59 | 15,26,786.59 | 4,22,694.26 |
| 1962 . . . | 6,57,870/- | 41,93,441.16 | 41,00,828.36 | 14,61,262.71 | 3,60,495.63 |
| 1963 . . . | 6,57,870/- | .. | 44,57,948.16 | 13,18,045.25 | 2,88,154.38 |
| 1964 . . . | 6,57,870/- | 47,04,703.15 | 45,11,264.60 | 13,72,487.52 | 4,21,379.88 |
| 1965 . . . | 6,57,870/- | 52,31,644.85 | 47,56,308.53 | 15,48,705.82 | 6,22,779.40 |
| 1966 . . . | 9,86,805/- | 68,56,577.81 | 47,81,411.95 | 17,18,646.15 | 8,62,789.05 |
| 1967 . . . | 9,86,805/- | 77,18,614.81 | 48,96,915.30 | 18,51,650.63 | 11,53,782.98 |

| % Dividend paid | % of profit to paid up capital | Insurance Fund | Reserve | Reserve for Taxation | Reserve for bad & doubtful debts | Total amount | Management expenses in relation to gross premium |
|-----------------|--------------------------------|----------------|-----------|----------------------|----------------------------------|--------------|--|
| | | Rs. | Rs. | Rs. | Rs. | Rs. | |
| 20% | 13% | 20,34,960.95 | 50,000/- | 130,000/- | 33,984.13 | 49,77,756.17 | |
| 20% | 18% | 20,04,709.31 | 130,000/- | 110,000/- | 67,983.93 | 52,57,850.94 | 39.50% |
| 20% | 61% | 21,46,602.68 | 250,000/- | 180,826.66 | 66,695.18 | 61,13,137.45 | 35.40% |
| 15% | 51% | 21,34,670.84 | 210,000/- | 40,000/- | 68,629.82 | 60,92,279.22 | 34.56% |
| 20% | 43% | 23,03,288.75 | 250,000/- | 340,000/- | 66,127.90 | 64,75,618.98 | |
| 20% | 64% | 23,49,718.21 | 400,000/- | 490,000/- | 67,660.16 | 68,52,305.95 | 29% |
| 20% | 94% | 24,37,593.29 | 600,000/- | 778,000/- | 51,263.53 | 75,33,753.52 | 29% |
| 20% | 87% | 24,29,261.88 | 500,000/- | 1183,000/- | 51,263.53 | 81,52,792.64 | 25% |
| 20% | 116% | 24,98,452.91 | 825,000/- | 1863,000/- | 57,263.53 | 91,02,384.81 | 22% |

51. It appears from paras. 9 to 11 in the statement of demand Ex. 1/W of the Association that the Universal Fire and General Insurance Co. Ltd., is one of the largest Insurance companies with branch offices all over India. This company was established in the year 1919. There are 16 branch offices all over the country maintaining about 156 employees altogether. The present dispute relates to all these workmen. This company is doing very well and making a rapid progress after the nationalisation of Life Insurance business i.e. since the time it is functioning purely as General Insurance Company. Its premium income has risen and it has been making an enormous profit year after year.

52. It appears from the statement of the company's progress annexure 'A' referred to above that the company has been consistently paying dividends at 20 per cent for the last 6 years. This rate of dividends is not available to the share holders in most of the other companies.

53. The balance-sheet for the year 1965 Ex. 20/E-5 shows a profit of Rs. 6,22,779/- after making a provision of Rs. 2,53,648.54 on account of depreciation on investments. Obviously this provision is merely a book entry and is not

the normal feature of the balance sheet of any company. The depreciation in the investments has been caused on account of low quotations given in the market on Government Securities and other Stock and Share Investments on account of Indo-Pakistan conflict at the close of the year 1965, resulting in the reduction of market value of these securities and investments. The company has not sold any of the Securities and investments. It has, not therefore, suffered any loss.

54. Immediately, after the close of the Indo-Pakistan conflict, the quotations of these Securities started rising and by this time the quotations show an appreciation in their market value as against the depreciation. As such the provision has only artificially reduced the profits of the company during the year 1965. In case this amount is added, the profit would be near about 9 lakhs.

55. The company has paid up capital of Rs. 6,89,920 and during the same year the company earned an underwriting profit of Rs. 7 lakhs, approximately.

56. From the annexure 'A' to Ex. 1/W referred to above, it is crystal clear that the company's net premium has risen from Rs. 33,16,941/- to Rs. 47,56,508/- during the period from 1956 to 1965. During the same period its net profit has risen from Rs. 49,826/- to Rs. 6,22,779/-.

57. From the statement Ex. 5/W referred to above, it is clear that the company's paid up capital has risen from Rs. 6,57,870/- to Rs. 9,86,805/- during the period from 1959 to 1967. The total assets have also risen from Rs. 49,77,756.17 to Rs. 91,02,384.81 during the same period. The profits have risen from Rs. 2,81,751.33 to Rs. 11,53,782.98 during the period from 1959 to 1967.

58. If we take annexure 'A' to Ex. 1/W and statement Ex. 1/W into consideration, it will be clear that the financial position of the company in question is very sound. It can also be presumed from the progress the company has made during the period from 1956 to 1967, that its future is bright.

59. The next point for consideration is whether the company in question has capacity to bear the burden of the wages and service conditions to be fixed. My finding on this point is in the affirmative for the following reasons.

60. While determining the capacity of an industry to pay, the Tribunal has to take into account the following factors, namely,

- (a) the elasticity of the demand for the product of that industry.
- (b) the possibility of tightening up the organisation so that the industry could pay higher wages without difficulty.
- (c) the possibility of increase in the efficiency of the lowest paid workers resulting in increase in production.

61. In no case should the burden of the increased rates of wages be made so heavy as to drive the employer out of the business by rendering it unprofitable for him to continue in it. The quantum of wages must be so fixed that the employer is left a fair return on his capital and is allowed fair allocation of reserves and depreciation so as to keep the industry in a healthy condition and in no case should the burden of the increased rates and wages be such as to drive the employer out of the business.

62. The learned Advocate Shri Kothari for the company contends that the elasticity of the demand in respect of the company in question is highly limited as compared to other companies. According to him,

- (i) profits and losses in business are not considered as a criterion for determining the elasticity of demand. Profits and losses are fluctuating. Hence one cannot infer the future stability.
- (ii) capacity of the Industry is to be determined by taking a fair cross section of the Industry.
- (iii) business principles differ in different business. Business principles in Insurance Industry will have to be taken into consideration for finding the present ability and future stability in Insurance business. In order to exist in the Insurance market, one has to be sound and solvent insurer. Investments and funds with the company must be of such magnitude that the return in those investments in the form of interest etc. would be sufficient to meet the current losses and expenses. Reserve funds must be to such extent as to meet the future risk and losses. Insurance Industry has not developed in

India. Insurance companies in India have no underwriting profits. Profits and losses are no criterion to determine the capacity to pay. If these business principles are taken into consideration it would mean that the company in question has neither present ability, nor future stability. Profits and losses have no relevancy. Reserves have to be taken into consideration for determining the capacity to pay.

- (iv) There is competition in Insurance Market. There are 138 Insurers operating in the country. Life Insurance Corporation of India is also a general insurer. If 138 Insurance companies cater the same service, can it not be said that there is competition? There is no monopoly in General Insurance business.
- (v) There is a triangular competition which the company is facing. If capacity to bring more insurance business is with the company, it will mean that there is elasticity of demand in the instant case.
- (vi) Life Insurance Corporation is a state organisation. Tariff rates are not binding on the Life Insurance Corporation of India. The credit and solvency bring more business to this company. All business of the Government, public sectors, semi-Government organisations and all the private sectors to whom the Government advances loans are bound to give business to the Life Insurance Corporation of India. In the modern Welfare State, the Government is one of the biggest Industrial company. Life Insurance Corporation of India has got elasticity of demand.
- (vii) Co-operative Insurance Section, under all Co-operative Societies' Act, there is restriction on payment of dividends. There is scope for enlarging the reserves of the co-operative Section. The co-operative Societies will like to go to Co-operative Insurance Societies. Most of the Stress is on the development of rural economy. The Government assistance availability to co-operative Society is higher as compared to the Government assistance available to the company in dispute.
- (viii) Joint Stock Insurance companies are very big companies. but the company in question is a small company.
- (ix) The company in question is on a lower level as compared to other companies in respect of;
 - (a) Paid up capital.
 - (b) Total assets.
 - (c) Interest, dividends, rents.
 - (d) Premium (*vide* Ex E-28).

It stands nowhere in the Insurance competitive market. It affects the elasticity of demand.

- (x) Cost of procurement of business of the company in dispute is higher. If the cost of procurement is higher services cannot be rendered efficiently. Capacity of the company in question for procuring business is low. Elasticity for rendering services by the company in question is very low. Under-writing profits in 1968 have gone down (Ex. E-21). Under-writing profits represent the result of the performance of the business.

63. The above mentioned arguments advanced by Shri Kothari for supporting his contention that the elasticity of demand in respect of the company in question is highly limited as compared to other companies, cannot be accepted.

64. The Life Insurance Corporation of India, Joint Stock Insurance Companies and Co-operative Insurance Societies are in the field of General Insurance business for the last many years. In spite of the alleged competition, the company in question has flourished procuring good deal of General Insurance business, and earning substantial profits during the period from 1956 onwards. It cannot be said that the company in question has no capacity to bring more insurance business, and that it has no elasticity of demand.

65. The General Insurance business commenced in India in 1825. Since then, this industry has been developing in India. It is worth noting that General Insurance Business has risen in higher proportion as compared to the industrial

growth, during the last three Five Year Plans. Comparison of the index number of the Industrial Production with the index number of the General Insurance in India will fully substantiate this assumption. The index number of the industrial production has risen from 100 to 174 per cent from 1956 to 1964 whereas the index number of General Insurance business has risen from 100 to 180.8 per cent during the same period (Source: Insurance Year Book of 1968).

66. A perusal of the gross premium and net premium figures, mentioned in the statement, below will convince everybody that the Insurance Industry has advanced during the last 10 years.

| Year | Gross Premium in (thousands of Rs.) | Net Premium in (thousands of Rs.) |
|------|--|--|
| 1955 | 23,09,93 | 14,40,69 |
| 1956 | 26,07,47 | 16,03,70 |
| 1957 | 27,83,87 | 18,41,62 |
| 1958 | 29,71,74 | 20,17,35 |
| 1959 | 33,31,05 | 22,46,44 |
| 1960 | 38,27,38 | 26,48,68 |
| 1961 | 43,84,85 | 31,94,08 |
| 1962 | 47,84,30 | 35,59,83 |
| 1963 | 52,56,34 | 40,11,14 |
| 1964 | 60,70,31 | 45,45,94 |

67. The General Insurance business has risen by 80.8 per cent during a period of 8 years as compared to an increase of 74.8 per cent in the industrial production during this period. This comparison of the increase in General Insurance and the Industrial production clearly proves that future of General Insurance business is very bright, as it is connected with the future of Industrial Production in the country. Any increase in the Industrial production is bound to bring a corresponding increase in the business of the General Insurance also. In view of the economic policies of the country, it is crystal clear that the future prospects of General Insurance Industry are very bright. It can expect a marked progress without any difficulty or fear of availability of market.

68. The Insurance Industry is governed by a special statute viz. The Insurance Act, 1938. The functioning of the Insurance Companies is controlled and unhealthy competition is restricted. There is an association of India with regional councils in four regions—viz. Bombay, Delhi, Calcutta and Madras. There is also the Tariff Committee of the above Association which determines the rates of premium for all types of risks. All companies big or small, which are members of the Association are required to charge the rates of premiums so fixed by the Tariff Committee. The Regional Councils look after the enforcement of the rates. This association is a statutory body. It is headed by the controller of Insurance. There is therefore no competition between one unit of the Industry and another in respect of rates of premium. Similarly the rates of commission payable to agents for procurement of business as well as the cost of field staff are fixed by the statute. There is therefore little scope for competition in this respect. There is also a code of Conduct, evolved by the General Insurance Council of the aforesaid association and the same has the force of the law. Under the Code of Conduct the working of the General Insurance Industry is controlled and various provisions have been made with a view to eliminate unhealthy competition between the different units of the industry. The existing business of one unit cannot be procured by another unit. The appointment of the field staff is also very much restricted. The chances of losses are reduced by the revision of rates of premium periodically after making a detailed and scientific scrutiny of the claims experienced. In spite of this, if there be any loss, the same is not borne by any single unit but is spread over on the entire industry through the system of reinsurance. It is therefore clear that the insurance industry always makes profits. With every increase in the gross premium, the profit also increases. The Insurance Industry has a prosperous future. Its market is assured. Profits are guaranteed, and competition is eliminated.

69. The facts regarding Insurance business referred to above go against the contention of Shri Kothari, the learned advocate for the company that the Insurance Industry in India has not developed. This contention cannot be therefore accepted.

70. It is contended that the profits and losses have no relevancy and that the reserves have to be taken into consideration for determining the capacity to pay. In my opinion profits and losses are relevant for determining the capacity to pay. It is only from profits, reserves are gradually built up. Reserves, alongwith profits can be taken into consideration for determining the capacity to pay but in no case profits can be ignored in determining the capacity to pay.

71. Statement regarding underwriting profits of the company for the years for 1964 to 1968 is produced by the company at Ex. E/21. It appears that underwriting profits have risen from Rs. 4,42,952.99 to Rs. 9,30,604.85 in 1967, but it has gone down to Rs. 3,94,146.13 in 1968. Relying on this statement, it is contended that the underwriting profits of the company are going down and that it is not doing well. It may be that under-writing profits have gone down in one year, but this does not mean that they would not go up again. If we see the progress of the company from 1956 onwards, we will find that it is consistently making enormous profits. Hence the contention raised by Shri Kothari in this respect cannot be accepted.

72. It is contended that in order to exist in the Insurance market, one has to be sound and solvent Insurer, that investments and funds with the company must be of such magnitude that the return on these investments in the form of interest etc. would be sufficient to meet the current losses and expenses, and that reserve funds must be of such extent as to meet the future risk and losses. It is true that in order to exist in the Insurance market, one has to be sound and solvent Insurer. The two statements regarding companies progress and financial condition show that the company in question is quite sound and solvent. It is flourishing. It has got bright future before it and there is no likelihood of its coming into financial difficulties, if everything proceeds on sound basis. In my opinion the company in question has got present ability to pay and future stability. Shri Kothari's contention that this company has neither present ability to pay nor future stability is difficult to accept.

73. The learned Advocate Shri Kothari for the company contends that there is no possibility of tightening up the organisation so that the industry could pay higher wages without difficulty. According to Shri Kothari,

- (i) The burden of proving this point is on the Association because it is for them to show this.
- (ii) Factors showing that the administration cannot further tighten up the organisation.
 - (a) Expenses—No possibility of reduction of expenses.
 - (b) Organisation is very small. Further tightening up the organisation would lead to its extinction.
 - (c) Insurance Amendment Act, 1968 has come into force recently.
 - (d) Increase in expenses in due to labour cost. If the tightening up of the organisation is to be done, it should be in reduction of labour costs.
 - (e) There is no possibility of tightening up of the organisation. If anything is to be done, there should be freezing.

74. The company has produced Ex. 18/E which shows the remuneration of the company's Chairman and Managing Director. The present monthly remuneration of the Managing Director is Rs. 3750.64P. On comparing the remuneration paid to the highest Executive Officer of the company with the one paid to the lowest employee in the company, it will be clear that the gap between the two is very high. Gradual attempt has to be made to narrow this gap.

75. The contention raised by Shri Kothari is that there is no possibility of tightening up the organisation and that if anything is to be done, there should be freezing. I am unable to accept this contention.

76. In the present state of circumstances there cannot be any freezing. The company can reduce the expenses at the top. There is some scope to some extent to tighten up the organisation for paying higher wages without difficulty.

77. The learned Advocate Shri Kothari for the company contends that even if higher wages are given to the persons on administrative side there is no likelihood of increase in the efficiency, because the staff is not concerned in securing business. According to him,

- (i) insurance business consists in selecting risk, and safeguarding future contingency.
- (ii) There is administrative staff along with Development Staff. Development staff is instrumental in securing business. The administration has no concern in securing business. The present reference does not include Development staff.

78. It is true that Development staff procure Insurance business and that the employees in this reference are concerned with administrative section in the company. In my opinion, for efficient functioning of the company, the administrative staff and Development staff have to work in co-ordination and in harmony. The payment of higher wages to the administrative staff will increase the efficiency in the administration of the company and consequently in securing business. I am not therefore prepared to accept Shri Kothari's contention in this respect referred to above.

79. In fixing a revised scale of wages and rates of dearness allowance the Tribunal has to consider the scales of wages and rates of dearness allowance prevailing in comparable concerns in the same area. It has to apply the Industry-cum-Region formula.

80. While fixing revised wage scales and rates of dearness allowance by the application of the Industry-cum-Region formula the Tribunal has to take into account the total wage packet i.e. basic wage, plus Dearness Allowance in the comparable concerns and not merely the basic wage (*vide Greaves Cotton and Co. Ltd. Vs. Their workmen, 1964, 1. LLJ, Page 342*).

81. It is also well settled that when Industrial Tribunals are considering the questions, such as wage structure, Dearness Allowance and similar conditions of service, the principle of Industry-cum-Region has to be applied. For this purpose the Tribunal has to compare the scales and rates prevailing in similar concerns in the same region, with those prevailing in the concern with respect to which the dispute, is under consideration. Generally speaking, similar concerns would be those in the same line of business, as the concern in question, but even in the same line of business, it would not be proper to compare a small struggling concern with a large flourishing concern.

82. Even when the other concern is in the same line of business, the Tribunal has to take note of several relevant factors before it can justifiably come to the conclusion that the other concern which is put up for comparison is in fact a comparable concern. These factors are:—

- (i) the extent of business carried on,
- (ii) the capital invested,
- (iii) the extent of the profits made,
- (iv) their standing,
- (v) the strength of the labour force.
- (vi) the extent of reserves,
- (vii) the dividends declared by them in the immediate past,
- (viii) their future prospects,
- (ix) and such other relevant factors.

When on consideration of these factors it is found that there is a large disparity between the two concerns, then, even though the two concerns are in the same line of business, it would not be proper to consider the other concern to be a comparable concern and in such a case, it would be erroneous to fix for the small concern under consideration the same wage structure as obtains in the large concern merely on the ground that both of them are in the same line of business.

83. The question whether there is a large disparity between the two concerns in the same business is always a question of fact and for holding that the two concerns are similar concerns it is not necessary that they must be exactly equal in all respects. All that the Tribunal has to see is that the disparity is not so large as to make the comparison unreal. (*vide French Motor Car Co. Ltd. Vs. Their Workmen, 1962-II, J.L.J, Page 744*).

84. Another principle is that concerns of more or less the same standing in the same industry should have as nearly as possible same wages so that they might stand on a par with one another in the matter of competition, otherwise,

if desperate rates of wages are fixed in a particular concern, which are much higher than the prevailing rates of wages in concerns of similar standing in the same industry, it will be put at a disadvantage when it comes to compete in the market in the sale of its products.

85. Bearing the above mentioned general principles of wage fixation in mind, it has to be seen whether the scales of pay, rates of Dearness Allowance and other service conditions of the employees in the company in question are less than those prevailing in comparable concerns in the same line of business in the same region.

86. The Association has produced the following statements in support of their demands for revision of wage scales, and Dearness Allowance:—

- (i) Statement showing wage scales applicable to various classes of employees in comparable various General Insurance Companies (Ex. 3/W).
- (ii) Statement showing financial capacity of the Universal Fire and General Insurance Co. Ltd. (Ex. 5/W).
- (iii) Comparative Statement showing rates of Dearness Allowance prevailing in various comparable General Insurance companies (Ex. 6/W).
- (iv) Summary of total emoluments (minimum and maximum) applicable to various classes of employees in the comparable General Insurance companies (Ex. 7/W).
- (v) Statement showing monthly emoluments drawn by the workmen at Head Office (Ex. 8/W).
- (vi) Statement showing monthly emoluments drawn by the workmen at Branch Offices (Ex. 9/W).
- (vii) Comparative statement showing the Paid up Capital, Gross Premium, Net Premium, Management expenses, Profit and Percentage of Net Profit to Paid up Capital of various General Insurance Companies (Ex. 10/W).

87. The learned Advocate Shri Gadkari for the Association relies on the above mentioned statements to show that the wage scales, rates of Dearness Allowance etc. paid to the employees of the company in question are far less and inadequate as compared to those in the comparable concerns, mentioned in Ex. 3/W.

88. The statement Ex. 3/W relates to 17 Insurance companies, in Bombay. Out of these 17 companies, the disputes regarding scales of Pay, Dearness Allowance etc. in respect of companies mentioned at S. Nos. 9 to 14 are pending for adjudication. I would not therefore take those companies i.e. mentioned at S. Nos. 9 to 14 of Ex. 3/W, into consideration for considering the dispute regarding scales of pay and dearness allowance of the employees in question.

89. For finding out, which of the remaining companies are comparable concerns, the statement Ex. 10/W has to be taken into consideration. This statement gives information in respect of 8 Insurance Companies only. Hence the remaining Insurance companies mentioned in Ex. 3/W cannot be taken into consideration.

90. The statement at Ex. 10/W is as follows:—

Comparative Statement Showing Paid up Capital, Gross Premium, Net Premium, Management Expenses, Profit and Percentage of Net Profit to Paid up Capital of Various General Insurance Companies

(Source :—Indian Insurance Year Books of 1964, 1965, 1966 and 1967)

In thousands of rupees

| Name of the Company | Year | Paid up capital | Gross Premium | Net Premium | Management expenses | Profit | % Net profit to paid up capital | No. of employees throughout India. |
|--|------|-----------------|---------------|-------------|---------------------|--------|---------------------------------|------------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| (1) Jupiter General Insurance Co. Ltd. | 1963 | 26,24 | 1,54,39 | 1,08,42 | 34,53 | 10,46 | 39,86 | |
| | 1964 | 26,24 | 1,70,08 | 1,17,65 | 38,33 | 11,12 | 42,37 | |
| | 1965 | 26,24 | 1,83,91 | 1,31,49 | 47,36 | 8,31 | 31,66 | 550 |
| | 1966 | 26,24 | 1,41,72 | 1,07,03 | 45,82 | 1,05 | 4,00 | |

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|------|-------|--------------------|---------|--------------|--------|-------|---|---------|
| (2) New Great Insurance Co. Ltd. | 1963 | 20,00 | 1,77,12 | 1,34,22 | 38,55 | 3,37 | 16,85 | | |
| | 1964 | 20,00 | 2,10,95 | 1,55,99 | 42,27 | 4,05 | 20,25 | | |
| | 1965 | 20,00 | 2,21,99 | 1,62,50 | 49,54 | 2,80 | 14,00 | | 500 |
| | 1966 | 20,00 | 2,38,29 | 1,78,17 | 52,56 | 6,21 | 36,05 | | Approx. |
| (3) Indian Trade & General Insurance Co. Ltd. | 1963 | 29,86 | 1,12,98 | 91,20 | 29,54 | 87 | 2,91 | | |
| | 1964 | 29,86 | 1,25,08 | 96,72 | 32,13 | 1,46 | 4,88 | | |
| | 1965 | 29,86 | 1,46,09 | 1,16,43 | 34,95 | 1,46 | 4,88 | | 350 |
| | 1966 | 29,86 | 1,70,89 | 1,60,24 | 42,94 | 2,16 | 7,23 | | Approx. |
| (4) Jaybharat Insurance Co. Ltd. | 1963 | 25,00 | 83,55 | 61,22 | 22,27 | 6,37 | 25,48 | | |
| | 1964 | 25,00 | 73,87 | 56,68 | 20,62 | 6,76 | 27,04 | | |
| | 1965 | 25,00 | 67,70 | 64,89 | 17,47 | 3,46 | 13,84 | | |
| | 1966 | 25,00 | 79,35 | 56,30 | 20,26 | 6,81 | 27,24 | | |
| 5) South India Insurance Co. Ltd. | 1963 | 25,00 | 1,21,03 | 1,05,45 | 27,41 | 5,83 | 23,32 | | |
| | 1964 | 25,00 | 1,44,65 | 1,18,32 | 33,63 | 10,02 | 40,08 | | |
| | 1965 | 25,00 | 1,51,71 | 1,25,12 | 38,66 | 1,60 | 6,40 | | 350 |
| | 1966 | 25,00 | 1,74,43 | 1,45,90 | 43,91 | 5,11 | 20,44 | | Approx. |
| (6) United India Fire & General Insurance Co. Ltd. | 1963 | 12,50 | 79,32 | 52,58 | 21,73 | 4,28 | 34,24 | | |
| | 1964 | 12,50 | 94,27 | 57,34 | 23,87 | 5,08 | 40,64 | | |
| | 1965 | 12,50 | 1,05,26 | 72,24 | 27,75 | 5,52 | 44,16 | | |
| | 1966 | 12,50 | 1,15,63 | 82,23 | 32,11 | 7,69 | 61,52 | | |
| (7) Concord India Insurance Co. Ltd. | 1963 | 13,50 | 1,48,20 | 85,82 | 33,43 | 4,38 | 32,44 | | |
| | 1964 | 13,50 | 1,55,45 | 71,45 | 34,78 | 4,91 | 36,37 | | |
| | 1965 | 13,50 | 1,65,12 | 1,00,01 | 39,25 | 3,32 | 24,59 | | |
| | 1966 | 13,50 | 1,65,52 | 1,23,61 | 38,69 | 1,96 | 14,51 | | |
| (8) Universal Fire & General Insurance Co. Ltd. | 1963 | 6,58 | 41,47 | 44,59 | 13,09 | 2,88 | 43,76 | | |
| | 1964 | 6,58 | 47,05 | 45,11 | 13,63 | 4,21 | 63,98 | | |
| | 1965 | 6,58 | 52,32 | 47,56 | 15,36 | 6,23 | 94,68 | | 155 |
| | 1966 | 10,19 | 68,56 | 47,82 | 17,03 | 8,63 | 84,69 | | |
| (Source : Balance Sheet and profit and loss Account for the year 1967) | | | | | | | | | |
| —Do.— | 1967 | | 10,19/77,18,614/84 | | 18,30,862/59 | 113,24 | | | |
| | | | 48,96,950/30 | | 11,53,782/98 | | | | |

91. The point is which of the Insurance companies mentioned in Ex. 10/W are comparable concerns.

92. The learned Advocate Shri Kothari for the company contends that the data supplied by the Association does not prove that the companies mentioned in Ex. 10/W are comparable with the company in question. He further contends that on examining Ex. 10/W it appears that except for percentage of profits, the company in question is not comparable with any other company. According to him:—

- (i) Indian Mercantile.
- (ii) Vulcan Insurance Co. Ltd.
- (iii) All India.
- (iv) Union Co-operative.
- (v) General Assurance Society.

can be taken into consideration for comparison, giving due allowance.

93. The company in question mentioned at S. No. 8 in Ex. 10/W referred to above is making net huge profit, consistently every year as compared to other companies. A perusal of Ex. 10/W shows that no company has earned net profit during the years 1963 to 1966 to the extent to which the company in question has earned. For comparing the companies, net profit is one of the sound test. It may be that the Association has not supplied information regarding other factors which are to be taken into consideration for comparing the concern, but one thing is certain that it has supplied necessary information regarding net profits in respect of the companies mentioned in Ex. 10/W.

94. In order to find out whether the two concerns are similar concerns, it is not necessary that they must be exactly equal in all respects. What has to be seen is that the disparity between the two concerns should not be so large as to make the comparison unreal.

95. Applying this test, I find that the United India Fire and General Insurance Co. Ltd. mentioned at S. No. 6 in Ex. 10/W is somewhat comparable with the company in question mentioned at S. No. 8 in Ex. 10/W.

96. The wage scales prevailing in the United India Fire and General Insurance Co. Ltd. and the Universal Fire and General Insurance Co. Ltd. as mentioned in Ex. 3/W are as follows:—

Comparative Statement Showing Wage Scales Applicable to Clerical Staff and Sub-Staff in the Insurance Company under Reference and Comparable Insurance Companies in Bombay

| Name of the Company | Peon | Driver | Record Clerk | Stenographer | Lower Grade for Clerks | Middle Grade for Clerks | Higher Grade for Clerks |
|---|---|--|---|--|--|--|--|
| M/s. United India Fire & General Insurance Co. Ltd. | 40—3— 49—4— 65—5— —85— 6—109— 7—137. | 75—5— 115—6— 145—8— 201. — | .. | 85—8— 117—12— 165—16— 245—20— 345—25— 470. | 85—8— 117—12— 165—16— 245—20— 345—25— 470. | .. | .. |
| M/s. Universal Fire & General Insurance Co. Ltd. | 35—3— 50—4— 70—5— 110. | 75—5—150 — — — | 55—5—75 —7— 110—8— 126—EB— 8—174. | 105—10— 155— 13—220— 15—310— EB—15— 340—20— 360. | 75—8— 123—10— 183—12— 243— EB—15— 318—17— 335. | 105—10— 155—13— 220—15— 310—EB— 15—340— 20—360. | 120—12— 180—15— 270—EB— 20—410. |

97. The rates of Dearness Allowance prevailing in these two companies as given in Ex. 6/W are as follows:—

Comparative Statement showing the rates of Dearness Allowance prevailing in the various General Insurance Companies

| | | |
|-------------------------------------|---|--|
| (5) United India Insurance Co. Ltd. | For categories of workmen such as Drivers, Sub-staff and Sweepers:— | |
| | From Rs. 51/- to Rs. 70/- | Rs. 100/- plus 10% of the basic pay. |
| | From Rs. 71/- and over | Rs. 110/- plus 10% of the basic pay. |
| | For category of workmen such as Assistants:— | |
| | Upto a basic salary of Rs. 100/- | Rs. 110/- (minimum). |
| | From Rs. 101/- to Rs. 200/- | Rs. 110/- plus 25% of that portion of the basic salary in excess of Rs. 100/-. |
| | From Rs. 201/- to Rs. 300/- | Rs. 135/- plus 20% of that portion of the basic salary in excess of Rs. 200/- |
| | From Rs. 301/- and over | Rs. 155/- plus 10% of that portion of the basic salary in excess of Rs. 300/-. |

For all categories of workmen the above dearness allowance is based on All India Consumer Price Index No. 150. Any rise in the said index figure over 150 will be compensated on monthly basis by an additional dearness allowance of Re. 1/- for every one point rise with a minimum of Rs. 10/-. Similarly, the dearness allowance will be reduced on the above basis in the event the index figure falling below 120, but such decrease shall not be exceeding a sum of Rs. 10/-. The maximum dearness allowance after such linking shall not exceed Rs. 220/-.

| | | |
|--|--|---|
| (20) The Universal Fire & General Insurance Co. Ltd. | <i>Basic salary per month</i> | <i>Dearness Allowance per month</i> |
| | For basic salary upto Rs. 100/- | Rs. 15/- minimum |
| | For basic salary between Rs. 101/- & Rs. 200/- | Rs. 175/- plus 20% on portion of salary in excess Rs. 100/-. |
| | For basic salary between Rs. 201/- and Rs. 300/- | Rs. 125/- plus 15% on portion of salary in excess of Rs. 200/- |
| | For basic salary between Rs. 301/- and above. | Rs. 140/- plus 10% on portion of salary in excess of Rs. 300/-. |
| | The maximum of the Dearness Allowance will be Rs. 150/-. | |

98. The total emoluments (minimum and maximum) paid to clerks, peons etc. on the two companies referred to above as given in Ex. 7/W are as follows :—

| Name of the Company | Peons | | | | | | Drivers | | | | | |
|--|---------------|--------|--------|---------|--------|--------|----------------------------|--------|--------|---------|--------|--------|
| | Minimum | | | Maximum | | | Minimum | | | Maximum | | |
| | Basic | D.A. | Total | Basic | D.A. | Total | Basic | D.A. | Total | Basic | D.A. | Total |
| United India Fire & General Insurance Co. Ltd. (1) | 40/- | 156/- | 196/- | 137/- | 173·70 | 310·70 | 75/- | 167·50 | 242·50 | 201/- | 180·10 | 381·10 |
| Universal Fire & General Insurance Co. Ltd. (2) | 35/- | 135/- | 170/- | 115/- | 141·50 | 256·50 | 75/- | 135/- | 210/- | 150/- | 154·75 | 304·75 |
| | Record Clerk | | | | | | Lower Grade Clerks/Typists | | | | | |
| | Minimum | | | Maximum | | | Minimum | | | Maximum | | |
| | Basic | D.A. | Total | Basic | D.A. | Total | Basic | D.A. | Total | Basic | D.A. | Total |
| (1) | .. | .. | .. | .. | .. | .. | 85/- | 167/- | 252/- | 470/- | 228·90 | 698·90 |
| (2) | 55/- | 135/- | 190/- | 174/- | 162·90 | 337·90 | 75/- | 135/- | 210/- | 335/- | 203·50 | 538·50 |
| | Stenographers | | | | | | Middle Grade Clerks | | | | | |
| | Minimum | | | Maximum | | | Minimum | | | Maximum | | |
| | Basic | D.A. | Total | Basic | D.A. | Total | Basic | D.A. | Total | Basic | D.A. | Total |
| (1) | 85/- | 167/- | 252/- | 470/- | 228·90 | 698·90 | .. | .. | .. | .. | .. | .. |
| (2) | 05/- | 137·65 | 242·65 | 360/- | 206/- | 566/- | 105/- | 137/- | 242·65 | 360/- | 206/- | 566/- |

| Higher Grade Clerks | | | | | | |
|---------------------|--------|--------|---------|--------|--------|--------|
| Minimum | | | Maximum | | | |
| | Basic | D.A. | Total | Basic | D.A. | Total |
| (1) | 120.00 | 143.35 | 263.35 | 410.00 | 210.00 | 620.00 |
| (2) | | | | | | |

99. On comparing the statement referred to above in the preceding para regarding total emoluments (basic and Dearness Allowance) paid to the employees in each company, it would be clear that the minimum and maximum emoluments paid to peons, Drivers, Clerks, Typists, Stenographers working in the company in question are less than those paid to similar categories in the United India Fire and General Insurance Co. Ltd. It is also worth noting that there is no separate scale given to Record Clerks and Middle Grade and Higher Grade Clerks as is being given to the employees concerned in the company in question as shown in Ex. 7/W.

100. As the employees in the company in question are getting total emoluments i.e. basic pay and Dearness Allowance less than those working in the comparable concern in the same line of business in the same region i.e. the United India Fire and General Insurance Co. Ltd., the emoluments namely scales of pay and rates of Dearness Allowance in respect of the employees in the company in question have to be revised.

101. The next point is as to what scales of pay and rates of Dearness Allowance should be given to the employees in the company in question. Considering the scales of pay and rates of Dearness Allowance demanded by the employees and the scales of pay and Dearness Allowance which the employees in the comparable concern are getting, I am of the view that the following scales of pay and rates of Dearness Allowance should be given to the employees of the company in question, all over India.

Scale of Pay

| | |
|--|---|
| (a) Lower Grade (Peons) | Rs. 85—3—100—4—120—5—160 (18 years). |
| (b) Drivers | Rs. 125—5—200 (15 years). |
| (c) Recorders | Rs. 105—5—125—7—160—8—176—EB—8—224 (17 years). |
| (d) Clerks & Typists | Rs. 125—8—173—10—233—12—293—EB—15—368—17—385 (23 years). |
| (e) Junior Assistants, Asstt. Cashiers & Stenographers | Rs. 155—10—205—13—270—15—360—EB—15—390—20—410 (19 years). |
| Cashiers & Senior Assistants | Rs. 170—12—230—15—320—EB—20—460 (18 years). |

Rates of Dearness Allowance

| <i>Basic Salary per month</i> | <i>Dearness Allowance per month</i> |
|--|-------------------------------------|
| For basic salary upto Rs. 100/- | Rs. 110/- |
| For basic salary between Rs. 101/- and Rs. 200/- | Rs. 135/- |
| For basic salary between Rs. 201/- and Rs. 300/- | Rs. 150/- |
| For basic salary Rs. 301/- & above | Rs. 160/- |

102. The next point is whether the company can bear the burden on account of scales of pay, the rates of Dearness Allowance and other improvements in service conditions, which I am giving.

103. The company has produced statement at Ex. E-35, E-36, E-37 to show as to what would be the burden on the company. It has shown that if the demands as claimed by the employees are accepted, there will be a burden of 6 lakhs per year on account of increase in basic salary and Dearness Allowance. It has also shown that so far as the Calcutta Combine Branch is concerned, the burden will be Rs. 79,623.

104. In the present case, I have not accepted the demands of the employees to the full extent. Hence the burden would not be of 6 lakhs per year on the company as contended by Shri Kothari relying on Exhibits referred to above, but it would be much less.

105. As regards Dearness Allowance, I have not linked it with the cost of living index. I am giving a fixed Dearness Allowance and Scales of Pay as mentioned above. On account of this the company will have to bear additional burden with effect from the date on which the Award comes into force. The burden due to

this increase in the existing pay packet of the employees would not be such as cannot be borne by the company. Similarly, the burden on the company on account of various improvements in the service conditions of the employees, which I am giving hereinafter would not be also such as the company would not be able to bear. In my opinion, the burden due to the scales of pay, Dearness Allowance and other improvements in service conditions which I am giving will be within the means of the company. The company is making huge profits. It has got bright future. Its business has become stable. It has got ability to pay. I, therefore, hold that the company is capable of bearing the burden on account of scales of pay, Dearness Allowance and other amenities which I am giving.

106. The learned advocate Shri Kothari for the company contends that any increase in pay, Dearness Allowance and improvements in the service conditions of the employees will cross the allowable limit of the managerial expenses of the company and that there would be violation of Section 40C of the Insurance Act, 1938 read with rule 17(E).

107. The learned Advocate Shri Gadkari for the Association on the other hand contends that it is not the defence of the company that this reference is invalid in view of the Section 40C of the Insurance Act, 1938 and that this Tribunal has no power to grant increases. He further contends that Section 40C of the Insurance Act is not directly related to fixation of wages or percentage of wages. It attempts to limit the expenses of the management.

108. Section 64M of the Insurance Act is as follows:—

“64M (1) It shall be the duty of the Executive Committee of the General Insurance Council to meet at least once before the 31st day of March every year to advise the Controller in fixing under the proviso to sub-section (1) of Section 40C the limits by which the actual expenses of the management incurred by an insurer carrying on general insurance business in respect of such business in the preceding year may exceed the limits prescribed under that sub-section and in fixing any such limits the Controller shall have due regard to the conditions obtaining in general insurance business in the preceding year and he may fix different limits for different groups of insurers.

(2) Where an insurer is guilty of contravening the provisions of section 40C with respect to the expenses of management the Controller may, after giving the insurer an opportunity of being heard, administer a warning to the insurer.

(3) Where in any case two warnings given to an insurer under sub-section (2) have been disregarded by him, the Controller may take such action against the insurer as may be prescribed.”

109. It appears from Section 64M (2) that when an insurer is guilty of contravening the provisions of Section 40C with respect to the expenses of the management, the Controller, may, after giving the insurer an opportunity of being heard, administer a warning to the insurer.

110. It appears from Section 64M (1) of the Insurance Act, 1938 that the Executive Committee of the General Insurance Council meets at least once before 31st March every year to advise the Controller in fixing under the proviso to sub-section (1) of Section 40C, the limit by which the actual expenses of management incurred by an insurer carrying on General Insurance business in respect of such business in the preceding year may exceed the limits prescribed under that sub-section and that in fixing any such limits the Controller shall have due regard to the conditions obtaining in General Insurance business in the preceding year and that he may fix different limits for different groups of insurers.

111. If we read the Section 40C (1), and Rule 17(e) and Section 64M of the Insurance Act carefully, it will be clear that if the management expenses increase due to pay fixation and improvements in service conditions under an Award of the Tribunal, the Controller will have to take the increase into consideration while fixing different limits for different groups of insurers on the advice of the Executive Committee of the General Insurance Council. It cannot be said that the Tribunal cannot fix wages and improve service conditions of the employees simply because it will have the effect of crossing the allowable limits of the managerial expenses of the company. It is nowhere laid down in the Insurance Act, that the Tribunal will be incompetent to allow increase in pay and improve service conditions of the employees, if there would be violation of Section 40C of the Insurance Act. What the Tribunal has to see is whether the company has got financial capacity to bear the burden. If it has, the Tribunal has to allow upward revision.

112. Similar objection was raised before the National Tribunal at Delhi in Reference No. NIT-1 of 1969. It has held in its Award published in the Gazette of India, July 12, 1969, Part II, Section 3(ii) Page 2806 to 2829 as follows:—

“In my opinion, in a case like this, when dispute between an employer and his employees regarding pay scale and dearness allowance is referred to a Tribunal, the employer cannot oust the jurisdiction of the Tribunal by merely pleading that the expenses of management incurred by him have already exceeded the prescribed limit. It would be open to the Tribunal even in the face of such a plea to see if it is possible to give relief to the employees.....”

113. Section 64M shows that the Controller has got discretion to give warning to the insurer, after giving the insurer an opportunity of being heard. It means that the Controller would certainly take into consideration the increase in the managerial expenses due to the Award. This Section does not compel the Controller to give warning and to take action. I am, therefore of the view that Section 40C of the Insurance Act read with Rule 17(e) does not come in the way of the Tribunal from granting necessary and reasonable relief and imparting social justice to the employees. I, therefore, disallow the contention raised by Shri Kothari in this respect.

114. In view of the above findings, I pass my order in respect of Demand Nos. II and III regarding Scales of Pay and Dearness Allowance as follows:—

ORDER

The following scales of pay are made applicable to the employees of the company all over India:—

- (a) Lower Grade (Peons): Rs. 85—3—100—4—120—5—160 (18 years).
- (b) Drivers:
- (c) Recordors: Rs. 105—5—125—7—160—8—176—EB—8—224 (17 years).
- (d) Clerks and Typists: Rs. 125—8—173—10—233—12—293—EB—15—368—17—385 (23 years).
- (e) Junior Assistants, Asstt. Cashiers and Stenographers: Rs. 155—10—205—13—270—15—360—EB—15—390—20—410 (19 years).
- (f) Cashiers and Senior Assistants: Rs. 170—12—230—15—320—EB—20—460 (18 years).

The following rates of Dearness Allowance are made applicable to the employees of the company all over India:

| <i>Basic Salary per month</i> | <i>Dearness Allowance per month</i> |
|---|-------------------------------------|
| For basic salary upto Rs. 100/- | .. Rs. 110/- |
| For basic salary between Rs. 101/- and Rs. 200/- | .. Rs. 135/- |
| For basic salary between Rs. 201/- and Rs. 300/- | ... Rs. 150/- |
| For basic salary Rs. 301/- and above. | .. Rs. 160/- |

Demand No. IV : Adjustments and Merger of Dearness Allowance:

115. As regards demand No. IV, the Association's case is that an employee shall be fitted into the new scales on a point to point basis. The basic pay and the Dearness Allowance as on 31st December, 1964 shall be treated as basic pay only for the purpose of adjustment of basic pay to the new scale of pay. It is also contended that if an employee is drawing more basic pay than what is warranted after proper adjustment as above, he shall continue to receive the excess amount as personal pay and shall also be given usual annual increments.

116. The company opposes this demand saying that point to point adjustment be not be given.

117. At the outset, it may be noted that the existing categories of employees in the offices of the company at the Head Office at Bombay and branches at Delhi, Ahmedabad, Anand and Nagpur are the same. But the categories of employees in the company's branch office at Calcutta are different. The existing categories of employees in the Calcutta branch office of the company are as follows :—

'A' Grade: Rs. 120—10—190—15—295—EB—20—395 (in 19 years).
 'B' Grade: Rs. 80—7.50—140—10—200—EB—15—320 (in 22 years).
 Stenographers: Rs. 100—10—170—12.50—245—EB—15—365 (in 21 years).
 Sub-staff: Rs. 50—3—71—4—95—5—125 (in 19 years).
 Jamadar: Rs. 80—5—90—7—50—135—10—165 (in 15 years).
 Driver: Rs. 65—5—105—7.50—150—10—180 (in 17 years).

118. As I have taken a view that the existing categories of the employees in the Head Office of the company should continue and that there should be the same categories of employees in all branches of the company all over India, I am merging the 'B' Grade of the employees existing in Calcutta branch office with the category of Clerks and Typists, existing in Bombay office. Category of the employees in 'A' Grade is directed to be merged with the category of Cashiers and Senior Assistants existing in the Head Office of the Company in Bombay. The category of Stenographers existing in the Calcutta Branch office will be merged with the category of Junior Assistants, Asstt. Cashiers and Stenographers existing in the head office of the company at Bombay. The categories of Sub-staff and Jamadar existing in the Branch Office at Calcutta will be merged in the category of Lower Grade (Peons) existing in the company's head Office at Bombay. The category of Drivers existing in the branch office at Calcutta will continue as there is also similar category of drivers in the Head office of the company at Bombay.

119. Considering the facts and circumstances of this case, I am of the view that the existing pay of the employees in the Head office at Bombay and other branches namely Delhi, Ahmedabad, Anand and Nagpur should be fixed in the new scale with effect from 1st January, 1965 by adding Rs. 50/- to the pay of the employees in the existing scales, drawn on that day.

120. When an employee is brought on to the new scale by adding Rs. 50/- as mentioned above, his pay should be stepped up to the next step in the new scale with effect from 1st January, 1965 in case there is no such stage in the new scale.

121. As regards the employees of the company in the Branch Office at Calcutta, their pay should be fixed in the new scale with effect from 1st January, 1965 by adding Rs. 50/- to the pay of the employees in the existing scales drawn on that day.

122. When an employee is brought on to the new scale by adding Rs. 50/- as mentioned above, his pay should be stepped up to the next step in the new scale with effect from 1st January, 1966 in case there is no such stage in the new scale.

123. As regards the employees of the company not covered by the Settlement dated 19th October, 1965, their pay should be fixed in the new scale with effect from 1st January, 1965 by adding Rs. 50/- to the pay of the employees in the existing scales drawn on that day.

124. When an employee is brought on to the new scale by adding Rs. 50 as mentioned above, his pay should be stepped up to the next step in the new scale with effect from 1st January 1965 in case there is no such stage in the new scale.

125. As regards the employees of the company in the new branches opened by the company, the pays of the employees should be fixed in the new scale with effect from 1st January 1965 or from the date they joined the services of the company, whichever is later, by adding Rs. 50 to the pay of the employees in the existing scales drawn on that day.

126. When an employee is brought on to the new scale by adding Rs. 50 as mentioned above, his pay should be stepped up to the next step in the new scale with effect from 1st January 1965 or from the date they joined the services of the company, whichever is later, in case there is no such stage in the new scale.

127. If an employee in any of the offices of the company mentioned above is drawing more basic pay than what is given after proper adjustment as mentioned above, he shall continue to receive the excess amount as personal pay.

128. As regards normal dates of increments in the existing scales of pay, they would not be affected on account of adjustment of pay in the new scale. Every employee will get increment as and when it becomes due as usual.

129. As regards the new rates of Dearness Allowance which I have given, the employees mentioned above will get Dearness Allowance at the new rates with effect from the date of fixation of their pay in the new scales.

130. The existing scales of pay and Dearness Allowance including Interim Reliefs would cease to continue with effect from the dates from which the new scales of pay and Dearness Allowance come into force.

131. The amounts of Interim Reliefs should be adjusted towards arrears of pay and Dearness Allowance that would become due to the employees concerned.

132. In view of the above findings, I pass my order in respect of Demand No. IV as above.

Demand No. V: Special Allowances:—

133. "Employees engaged in work mentioned below and/or designated as below shall be entitled to Special Allowance per mensem in addition to their salaries and emoluments in the manner stated below:—

- (a) Bank Peons, Despatch Peons, Head Peons, Daffaries, Duplicating Machine Operators and such other employees: Rs. 20 per month.
- (b) Typists, Perforating Machine Operators, Telephone Operators, Paying & Receiving Cashiers, Cashiers, IBM Machine Operators and such other employees: Rs. 30 per month."

134. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraphs 80 to 85 is as follows:—

"At present the company under reference is having a provision with regard to the payment of special allowance as detailed in Annexure 'B'.

"The Association submits that the existing provision is inadequate and has to be revised. The Association submits that the following types of special allowances for various jobs be introduced at all the offices of the company:

Employees engaged in work mentioned below and/or designated as below shall be entitled to special allowance per mensem in addition to their salaries and emoluments in the manner stated below:—

- (a) Bank Peons, Despatch Peons, Head Peons, Daffaries, Duplicating Machine Operators and such other employees: Rs. 20 per month.
- (b) Typists, Telephone Operators, Paying and Receiving Cashiers, Cashiers, and such other employees: Rs. 30 per month.

"The Association submits that the above allowances shall be paid in addition to the monthly emoluments as demanded above mainly on the ground of special qualifications, special skill and responsibilities attaching to or required in the office or jobs entrusted. It is further submitted that the job of a despatch peon and bank peon is more strenuous and involves extra hazardous work. The Bank Peon runs the risk of being subjected to robbery and theft and loss of money in transit similarly a despatch peon has to work very hard as compared to other peons working in the office. The work of daffary and peons handling various types of machines is more skilled and requires to be compensated by way of payment of special allowance. The head peon is required to take responsibility of supervision of the work of the peons. His work is more responsible and should carry additional remuneration by way of special allowance. In the same way the job of a watchman is very strenuous and his working hours are also longer as compared to other peons. This also requires consideration.

"The demand of payment of special allowance to typist, telephone Operator, comptometer operators etc. is also based on the ground that the job requirement of those employees are more strenuous and more skilled, and it is necessary that additional remuneration is paid to them for the additional strain and skill involved in their jobs. Such allowances are paid in all insurance companies as well as Life Insurance Corporation

of India. The Bank Award also made provision for payment of such allowances to all the employees mentioned in sub-para (a) and (b) of para above.

"The existing provision of paying Rs. 10 for typists and telephone operator and not to other categories of employees and Rs. 10 to havaldars and cash handling peons was introduced in the year 1961 and since then there has been substantial changes in the circumstances rendering the said provision which has now become inadequate and out moted. The demand for the revision of this provision and for paying special allowance to other categories of workmen as named above as well, is, therefore, quite just and reasonable.

"The paying capacity of the company under reference is also not disputed and the demand for payment of such allowances can easily be met by the company. In these circumstances the demand is quite just and proper and the workmen are entitled to the same."

135. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 22 is as follows:—

"We are paying a Special Allowance of Rs. 10 each to the Head Peon as also the Bank Peon. This is on par with what most other companies are doing and there is no justification for any increase. The other people mentioned viz. Despatch peons etc. cannot be paid any such allowance because there is no justification for such payment.

"Typists are being paid a Special Allowance of Rs. 10 per month. There is no case for payment of any such allowance to anybody else."

136. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E pages 32 and 33 is as follows:—

"The special allowances granted by the Company were decided upon after prolonged consultations and negotiations with the Union. There can be no justification in support of the demand that these allowances should be stepped up. Nothing has happened during the past 2 years to justify the demand for a revision. It is ridiculous to suggest that the job of a Despatch Peon or that of a Bank Peon is more strenuous and involves extra hazardous work or that it has become more strenuous or more hazardous than it was 24 months back. Whether a Despatch peon works harder than a Peon working in the Office or whether it is the other way about, is anybody's guess. There is no skill required in handling the Franking Machine or a Duplicating Machine nor does anybody need to be compensated for such work by means of a special allowance. These are mere routine jobs.

"In any event, the existing allowances paid by the Company are more than adequate and no increase is warranted. It is denied that the work done by Typists is of a highly skilled nature. In any case, the Special Allowance paid at the moment is more than adequate. The suggestion that because a few years have passed since this allowance was first granted, there should be an upward revision in such special allowance, does not make any sense at all.

"The Company does not at all admit that any special type of skill is required for the various types of jobs referred to. We must frankly add that we agreed to pay these allowances merely to purchase mental peace. There could have been no improvement in the degree of alleged skill of the employees in question during the past few years. The type of work requirement of those employees are more strenuous and more skilled, or for granting allowances to fresh categories of workers, must be rejected outright. According to the Union, almost everyone is possessed of some special type of skill. Anyone who is familiar with the working of an Insurance Company knows that the claim is absolutely hollow and has no merit whatsoever. The Demand must be rejected outright."

137. The Association in its replication Ex. 2/W on page 14 says:—

"The contents of this para are matter of argument and need no reply. Except that para No. 80 to para No. 85 of the Statement of Claims of the Association in respect of this demand are reiterated."

138. The existing provision in respect of Special allowance in the company in question is to give Rs. 10 to typist and Rs. 10 to Havildar and cash handling peons, per month.

139. The Association's demand is that the Special Allowance of Rs. 10 per month paid to Havildar and Cash handling peons be increased to Rs. 20 and that this special allowance also be given to Despatch peons, Daftaries, Duplicating Machine Operators and such other employees on the ground that special skill and responsibility are attached to the duties performed by these persons. The Association claims increase of Rs. 10 in this allowance on the ground that there has been substantial change in the circumstances.

140. As the pay scales and conditions of service of the employees are being revised, I do not think that there is any justification for increasing the amount of special allowance by Rs. 10. In my opinion the Havildar and Cash handling peons should continue to get Rs. 10 per month as special allowance in addition to their other emoluments.

141. The next point is that Despatch Peons, Daftaries, Duplicating Machine Operators should be given Special Allowance for doing their duties. In my opinion the duties of Despatch peons are not onerous one. These duties do not require any special skill. It is true that out of 16 companies referred in Ex. 4/W, 5 companies give Special Allowance to Despatch peons but at the same time there are other 12 companies referred to at Ex. 4/W which do not give any allowance to Despatch Peons. It cannot, therefore, be said that there is a trend in Insurance Companies to give special allowance to Despatch Peons. Hence the Despatch Peons should not be given any Special Allowance.

142. As regards Daftaries, their duties also do not require any special skill. Their duties do not involve any special responsibility. I am therefore of the view that Daftaries should not be also given any Special Allowance.

143. As regards Duplicating Machine Operators, the Duplicating Machines working on Electricity do not require any manual work at all. Other type of Duplicating Machines require manual work. But it does not require any special skill. Ordinary intelligence is sufficient to work on Duplicating Machines.

144. From the statement Ex. 4/W it appears that out of 16 Insurance Companies only 4 Insurance Companies are paying special allowance to Duplicating Machine Operators. The remaining 12 companies are not paying any special allowance. It cannot be, therefore, said that there is any trend in Insurance Companies to give special allowance to Duplicating Machine Operators. I am, therefore, of the opinion that Duplicating Machine Operators in the company in question should not be given any special allowance.

145. The Association says in its demand V(a) that such other employees should also be given Rs. 20 per month as special allowance. The expression such other employees is vague and indefinite. It does not give any clear idea as to what particular employees should be given special allowance in addition to other employees specifically mentioned in clause 5(a). Such demand is vague and indefinite. It cannot be accepted, in respect of such other employees.

146. As per the existing scheme, in the company in question, Rs. 10 are given to typists as special allowance. The Association's demand is that this allowance in respect of typists should be increased to Rs. 30 per month. In my opinion there is no justification for increasing the allowance to Rs. 30 per month. From the Statement Ex. 4/W, it is clear that out of 16 companies including the company in question, 4 companies are giving Rs. 10 per month as special allowance to typists. Only two companies are giving Rs. 15 per month and one company is giving one more increment at the time of appointment. Rest of the companies are not giving any allowance. Considering these facts prevailing in various Insurance companies and having regard to the fact that the employees in the company in dispute are getting their emoluments revised, I am of the view that there is no justification for the demand for increasing the special allowance of Rs. 10 to Rs. 30 per month to typists.

147. The Association demands that Perforating Machine Operators, Telephone Operators, Paving and Receiving Cashiers, Cashiers, I.M.B. Machine Operators should be given Rs. 30 per month as special allowance. In support of this contention reliance is placed in Ex. 4/W.

148. It appears from Ex. 4/W that only 4 companies out of 16 are giving special allowance to Telephone Operators. Rest of the companies are not giving any special allowance for the job. In the statement, Universal Fire and General Insurance Co. Ltd. is shown to be giving Rs. 10 per month to Telephone Operators. If it is already giving the same, it cannot be discontinued on the ground that other Insurance Companies are not giving this special allowance to Telephone Operators. If it is a mistake in the statement in this respect, I am of the view that the same should not be given to Telephone Operators as there is absolutely no trend in the Insurance companies to give such special allowance.

149. As regards the demand for special allowance to Paying and Receiving Cashiers, and Cashiers, it appears from the statement Ex. 4/W that 8 Insurance Companies out of 16 are paying special allowance varying from Rs. 15 to Rs. 20 per month to Cashiers. The remaining companies are not paying any allowance. It can be taken that at least 50 per cent of the companies are giving special allowance to Cashiers. This work involves risk. I am, therefore, of the view that Cashiers, actually handling cash, should be given Rs. 15 per month as special allowance, at Head Office and Rs. 10 per month at other places.

150. As regards Perforating Machine Operators and I.B.M. Machine Operators, the Association has not adduced any evidence worth the name in justification of their demand for giving special allowance to these classes of employees at the rate of Rs. 30 per month. In the absence of reliable and convincing evidence in this respect I am of the view that they should not be given any special allowance.

151. In the end, I pass the following order:—

ORDER

Demand is accepted to the extent to which Special Allowances as mentioned above are given to the posts concerned.

Demand No. VI.: Special Increments:

152. "Besides the above, the employees under Grades "D" and "E" shall be entitled to Special Increments for passing the following examinations on the scale shown against each examination.

On Graduation

2 Increments.

On passing the following examination:

- | | |
|--|-------------------------------|
| 1. Licentiate or A.C.I.I. Part I | } 1. Increment for each part. |
| 2. A.F.I.I. Part I or A.C.I.I. Part II | |
| 3. A.F.I.I. Part II or A.C.I.I. Part III | |

N.B.—A graduate appointed as an Assistant shall get a higher starting salary by two increments. Those graduate Assistants who have not received the Graduation increments shall also get two increments."

153. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 86 is as follows:—

"The Company under reference is already having special increments in accordance with the Demand made by the Union under the Settlement, Annexure 'B', the same may be confirmed by the Award."

154. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 22 and 23 is as follows:—

"Special Increments are already being granted by us as under:—

- In case of new appointments, Graduates, two additional increments to start with.
- Those who become Graduates hereafter while in the service of the Company shall also get this benefit.
- On passing Licentiate or Part I of A.C.I.I. 1 Increment.
- Part I of A.F.I.I. & Part II of A.C.I.I. 1 increment (i.e. total 2 increments).
- Part II of A.F.I.I. and Part III of A.C.I.I. One increment (i.e. total 3 increments).
- One increment for passing each section of F.C.I.I. or F.F.I.I. examinations.

155. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E para. 46 is as follows:—

"Referring to para 86 of the Statement of Claims, there is nothing to confirm whether the practice is in existence."

156. The Association in its replication Ex. 2/W on page 14 says:—

"The contents of this para need no reply as this is a matter of argument. The Union reiterates para 86 of its Statement of Claims in respect of this demand."

157. As regards demand No. VI regarding special increments, the existing scheme in the company is as mentioned in term No. 5 of the Annexure 'B' to written statement Ex. 1/W. It is the same as mentioned in the employer's written statement at Ex. 1/E referred to above.

158. Both the Advocates namely Shri Gadkari for the Association and Shri Kothari for the company submit that Award in term of settlement in respect of special increment be passed. I, therefore, pass the following order:—

ORDER

(i) Additional/Special Increment on passing the A.C.I.I. or A.F.I.I. Examination:—

Additional/Special increments shall be granted to staff on the passing the A.C.I.I. or A.F.I.I. Examination as under:—

| | |
|--|--|
| Licentiate or Part I of A.C.I.I. | : One increment |
| Part I of A.F.I.I. & Part II of A.C.I.I. | : One increment (i.e. total 2 increments) |

| | |
|--|--|
| Part II of A.F.I.I. & Part III of A.C.I.I. | : One increment (i.e. total 3 increments) |
|--|--|

One increment will be given for passing each Section of F.C.I.I. or A.F.I.I. Examinations.

Such additional increments will be given with effect from the date of official declaration of the results. It is of course understood that if an employee passes both A.C.I.I. and A.F.I.I. Examinations, he will be entitled to increases on the basis of passing only one set of examinations.

(ii) In case of new appointments, Graduates shall be given two additional increments at the start.

(iii) Those who become Graduates hereafter while in the service of the company shall also get this benefit as per (ii) above.

Demand No. VII: Other Allowances:

159. (a) *Overtime Allowance*: An employee working overtime shall be entitled to 'Overtime Allowance' for such period of work rendered at the rate of double the hourly rate of wages inclusive of Special Allowance and all other allowances. No employee shall be engaged in for overtime work for more than 90 hours in a Calendar Year.

(b) *Officiating Allowance*:

(i) If an employee is required to officiate in a higher post, he shall be entitled to an 'Acting Allowance' at the rate of 20 per cent of his salary for the period for which he officiates.

(ii) If an employee is required to act in a post for which Special pay is provided, he shall be entitled to *pro-rata* Special Allowance for the period of such work done.

(c) *House Rent Allowance*: All the employees shall be paid as 'House Rent' a sum at the rate of 20 per cent of their basic salary per mensem, subject to a minimum of Rs. 40/-.

(d) *Lunch Allowance*: The Company shall pay to each employee Rs. 2/- per working day as Lunch Allowance.

(e) *Washing Allowance*: Such member of Sub-staff shall be paid Washing Allowance of Rs. 10/- per month for washing the uniforms.

(f) *Conveyance Allowance*: Every employee shall be paid a Conveyance Allowance of Rs. 10/- per month.

160. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraphs 87 to 94 is as follows:—

“(a) *Overtime Allowance*: The existing provision in regard to the overtime allowance is detailed in Annexure ‘B’. The Association submits that overtime allowance shall be paid to the employees of this company at the rate indicated here below:—

“AN EMPLOYEE WORKING OVERTIME SHALL BE ENTITLED TO ‘OVERTIME ALLOWANCE’ FOR SUCH PERIOD OF WORK RENDERED AT THE RATE OF DOUBLE THE HOURLY RATE OF WAGES INCLUSIVE OF SPECIAL ALLOWANCE AND ALL OTHER ALLOWANCES. NO EMPLOYEE SHALL BE ENGAGED IN FOR OVERTIME WORK FOR MORE THAN 90 HOURS IN A CALENDAR YEAR”.

“The Association submits that the overtime allowance for working overtime shall be paid at the rate of double the hourly wage inclusive of special and other allowances, on week days, Saturdays, Holidays and Sundays. The overtime rate will be calculated by dividing the total emoluments in a month by 155 hours. It is further submitted that no employee shall be required to work for more than 90 hours as overtime in a year. This demand is self-explanatory and needs no further justification. The overtime allowance at the above rate is paid in most of the commercial establishments and there is no reason why this company should be an exception. The present rates are low and do not make full provision for the inconveniences caused to the employees. It is therefore submitted that the rate of overtime allowance must be raised as demanded above. This is necessary to allow full compensation for extra work and for recouping of the health. The Association further submits that the total number of overtime hours should not exceed 90 hours in order to avoid undue strain on the employees and to create additional employment opportunities in the country.

“(b) *Officiating Allowance*: The Company under reference does not make any provision for the payment of officiating allowance. The Association therefore submits that the officiating allowance should be paid to the employees on the following terms:—

- (i) If an employee is required to officiate in a higher post, he shall be entitled to an ‘Acting Allowance’ at the rate of 20 per cent of the salary for the period for which he officiates.
- (ii) If an employee is required to act in a post for which special pay is provided, he shall be entitled to *pro-rata* special allowance for the period of such work done.

The demand for payment of officiating allowance at the above rate is quite just and reasonable and within the paying capacity of the company under reference. The demand is also in consonance with the practice prevailing in the commercial institutions in this Country. A number of Insurance Companies are also paying

officiating allowances as and when any employee is required to perform officiating duties. The workmen therefore are entitled to the payment of officiating allowance at the above rates.

“(c) *House Rent Allowance*: The Company under reference is not paying any house rent allowance to the employees. The Association therefore submits that the company be directed to pay house rent allowance at the rate of 20 per cent of their basic salary subject to a minimum of Rs. 40 per month. The housing problem in all the cities where this company is having its office is very acute and the rents are very exorbitant. It is difficult to secure even a one-room tenement for a rent not less than Rs. 60 per month and that too on payment of large amounts as premium. This amount forms a very large proportion of the total emoluments of these employees. As such the renting of a house at such high sum is very big strain on the meagre resources of the employees. It is therefore beyond their capacity to bear the full burden of this item of expenditure in their total family budget. The employers have therefore a duty towards their workmen and they must bear a portion of the burden by paying the house rent at the rate demanded by the Association. Needless to say the company under reference has ample capacity to meet the demand and come to the rescue of their suffering workmen. The Tribunal is therefore requested to make directions in terms of the demand.

"(d) *Lunch Allowance*: The Company under reference is not paying any lunch allowance to its employees nor is having any cheap canteens. The Association, therefore submit, that:

THE COMPANY SHALL PAY TO EACH EMPLOYEE RS. 2 PER WORKING DAY AS LUNCH ALLOWANCE.

"The lunch allowance is being paid in a number of commercial establishments. In big cities like Bombay, Calcutta, Madras and Delhi, the employees have to reside at far away places from their offices and in places like Bombay, Calcutta, Madras and Delhi conveyances are also not available. Consequently, the employees have to leave their houses early in the morning without taking their meals and they have to depend on hotel meals for their lunch resulting in putting extra burden on their meagre emoluments. It is, therefore, the duty of the employer to compensate the employees for this extra expenses incurred by them. Some of the insurance companies are either paying lunch allowance or are having provisions for having subsidised canteens where wholesome food is supplied at cheap rates. The company has ample capacity to pay and should not hesitate to meet this demand of the workmen. The demand is therefore justified.

"(e) *Washing Allowance*: At present the company is paying about Rs. 2.25 per month as washing allowance to their sub-staff for getting their clothes washed and there is no arrangement by the company for getting their uniforms washed. The present provision of washing allowance is inadequate and it is not possible to get the uniforms washed and kept clean within the said amount. The Association, therefore, submits that:—

"Each member of sub-staff shall be paid washing allowance of Rs. 10 per month for washing the uniforms."

In the alternative, the company should make arrangements for getting the uniforms washed at their own expense. The demand is self-explanatory and does not require any further justification.

"(f) *Conveyance Allowance*: At present the company is not paying any conveyance allowance. In cities like Bombay, Calcutta, Delhi and Madras there is an acute form of shortage in conveyances and the employees have to spend a sufficient portion of their income on conveyance expenses for attending their duties. It is not possible to meet these expenses out of the salary paid to them. It is, therefore, the Association has demanded that:

"EVERY EMPLOYEE SHALL BE PAID A CONVEYANCE ALLOWANCE OF RS. 10 PER MONTH."

161. The company's case in respect of this demand as made out in the written statement Ex. 1/E on pages 23 to 25 is as follows:—

"(a) *Overtime Allowance*: Amongst other things, one of the reasons why Companies are required to ask some members of the staff to work over-time is that employees themselves are not putting their heart and soul into the work. In certain cases employees want to increase their earnings and deliberately leave certain work undone. No employer willingly wants the employees to work over-time for the simple reason that it is a very costly process. In any case, there is no justification for the demand made by the Union. The present rate at which we pay over-time is fair and equitable. Moreover over-time rates cannot be calculated inclusive of special allowances and other allowances as demanded.

"(b) *Officiating Allowance*: This is not a Government Office and nobody is required to officiate for anybody. In fact, most of the clerks are not competent to act in a senior capacity. They neither have an educational background worth the name nor have they the technical qualifications for such work. So many members of the staff—particularly those who have put in long years of service and are getting substantial emoluments, have not even passed the matriculation examination. They are unable to attend to correspondence on their own and are not in a position to deal with technical matters. Much of the burden, therefore, is borne by the Officers of the Company who attend to most of the correspondence except that portion which relates purely to routine matters like acknowledging receipt of a premium, forwarding an endorsement etc. We may go further and say that several times when some officer is absent on leave, the Managing Director or some other senior Officer has to carry on the entire burden which was being borne by the Officer who is on leave. This is unfortunate but true. In any case no body officiates for anybody and the suggestion that if once in a while some

member of the clerical staff has to attend to some work which was done by his immediate senior, it does not mean that he exercises any special skill or undergoes any hardship for which he should be compensated. The demand made by the Union must be rejected outright.

“(c) *House Rent Allowance*: There is no justification for this demand and it must be rejected outright. The determination of salaries itself takes into account all relevant considerations. As for the argument that there is a “trend” for payment of this type of allowance, what actually happens is that the Union succeeds in extracting some such benefit from one or two stray Companies and then start calling it a “trend”. This could hardly be taken as a just criterion. Providing of housing accommodation is not the concern or the responsibility of a private employer. There is also an important reason why the demand made by the Union cannot be considered. Most of the Members of the Staff are old employees and have their own housing accommodation and having regard to the provisions of the present Rent Control and anti-eviction laws, they are fully protected. There is no reason why an employer should be called upon to subsidize them at this stage. Even in case of new-comers, they or their relatives mostly have housing accommodation and if that is not so, they cannot certainly stay in a city like Bombay and look for employment. The practice of granting house allowance is not wide-spread in the industry and as pointed out by us much earlier, such demands cannot be considered in isolation. The total benefits allowed by the Employer have always to be taken into account. To argue that there is a general or wide spread practice in this regard, is not borne out by facts. Lastly, it is beyond the capacity of the Company to bear the burden of such a demand.

“(d) *Lunch Allowance*: First of all, so many of the employees are staying within two or three miles of the Office. Besides, most of them do not leave their residence earlier than 9-30 A.M. or in other cases much later. The normal practice in India is that employees have their meals in the morning before leaving for the Office. So the position is not at all comparable to what happens in countries of the West, where employees normally leave for work at 7.30 A.M. The demand for any type of Lunch Allowance has no logical basis and is highly frivolous and fantastic.

“Further, there is no such practice in the industry. And apart from anything else, the remuneration paid is inclusive of all such incidental expenses.

“(e) *Washing Allowance*: Every member of the sub-staff is being paid a certain amount of money to ensure that the uniforms supplied are properly washed and the amount which is being paid at present is enough for the purpose. Surely, they are not supposed to make money out of this allowance and the demand that each one of them be paid Rs. 10 per month is absolutely fantastic and unjustified. The demand must therefore be rejected.

“(f) *Conveyance Allowance*: The demand is wholly unjustified. It is the duty of every employee to attend the Office at a specified time. This is a part of the contract of service. The employees have been doing this for several years at their own cost and which is as it should be. There is no rationale for burdening the employer with such a demand. There is no trend in the Industry for making such a payment. Moreover this factor is taken into consideration while determining the wages and salaries. There is no justification for the demand put up by the Union and it must be rejected outright.”

162. The Company's further case in respect of this demand as made out in the rejoinder Ex.2/E paras 47 to 52 is as follows:—

“Referring to paras 87 and 88 of the Statement of Claims, the company denies that the existing rates for over-time working are low or that they do not adequately compensate workmen for the work done or for the alleged inconvenience. The revised rates at which the overtime allowance is demanded, is unjust and unreasonable. The Company cannot bind itself to the stipulation that no employee shall be asked to work for more than 90 hours in a calendar year because everything depends on the exigencies of business. In this connection, reference is also invited to our submissions in the Written Statement.

“With regard to para 89 of the Statement of Claims, in addition to what is mentioned in the written statement the Company submits that the demand for officiating allowance is exorbitant, unreasonable and unwarranted. It is also denied that the Union's demand is in consonance with the practice prevailing in

other concerns. In a small Company of our size, nobody is required to officiate for anybody. In the absence of say a senior clerk or some one else, the work is attended to by the Officer concerned. The question of the paying capacity of the Company has nothing to do with this and the reference to it is irrelevant. Nobody officiates for any one and no allowance is required to be paid. This is not a Government Department, but a medium-sized Commercial Concern where flexibility of operations is the rule.

"Referring to para 90 of the Statement of Claims, as clarified in preceding paragraphs and our written statement, the demand for a House Rent allowance is absolutely unwarranted, uncalled for and unjust. In any event, the Company has no capacity to meet such demands and the call to come to the rescue of our "suffering workmen" is simply ridiculous. It is absolutely pointless to refer to prevailing rents because the workmen have already got their own accommodation and are protected by the Rent Act. Those who join afresh do so in the full knowledge that they will have to work in Bombay and are supposed to make their own arrangement for the purpose because the remuneration paid takes into account all such expenses.

"With regard to paras 91 and 92 of the Statement of Claims, the statement that Lunch Allowance is being paid by a number of Commercial establishments is not admitted. This is not a practice current in the Insurance Industry in general. Not all the employees stay very far from the Office, and even if they do it is entirely their job and with which the Company is not concerned. The suggestion that employees have to leave their residence early in the morning without taking their meals, is simply fantastic. They are supposed to attend the Office at 10-30 A.M. and what is more, a grace time of 10 minutes is allowed and which is availed of by most of the employees. So the actual time is 10-40 A.M. No sensible person can suggest that this is too early. Several factories start working at 8 A.M. and several other establishments start working at 9 or 9-30 A.M. In fact, we start working very late in the morning and the employees do not suffer any of the hardships alleged. The demand is fantastic and must be rejected outright.

"Referring to para 93 of the Statement of Claims, attention of the Honourable Tribunal is invited to the observations made by us in the Written Statement.

"Regarding para 94 of the Statement of Claims, there is no justification in support of the demand that Conveyance Allowance should be paid. Every employee has to attend the Office at his own cost and the total remuneration paid to him takes care of all such expenses. When he joins service, an employee is aware where the Office is located. Employees working in every big city in India or elsewhere face the same position. The demand is unfair and cannot be considered."

163. The Association in its replication Ex.2/W on pages 14 to 16 days:—

"In this regard, it is submitted that in case the Company thinks that the employees are misusing provisions of Overtime, the Company should not ask any employee to do overtime at all. As a matter of fact, the demand for payment of overtime at increased rate itself is intended to put a check on the employer from requiring the workmen to do overtime job.

"The demand for increase in the rate of overtime is absolutely fair and justified and the same should be allowed in full.

"Contents of para No. 87 to para No. 88 of the Statement of Claims in regard to this demand are also reiterated.

(b) *Officiating Allowance*: The contents of this para are simply regrettable. This para clearly shows that the writer of the Written Statement is a conceited person. He conveniently forgets that if the staff of this Company is devoid of necessary educational or technical back-ground, it also reflects of his calibre of making recruitment of right persons for right job. He himself does not hold any insurance qualification and he also has acquired knowledge of insurance industry by way of experience. In the same way, the employees too have acquired necessary technical knowledge by working in the Industry for a number of years. It would, therefore, be futile to contend that the employees are not in a position to deal with the work of senior positions. In any case, this is a demand for making provisions as and when such a contingency arises.

"In case the Managing Director himself is a super human and so competent as to do the work of all the senior employees as and when they are on leave.

obviously the contingency would not arise and there will be no payment of officiating allowance. But as and when any employee is required to work for senior positions, he should be paid the officiating allowance as claimed by the workmen.

"Para No. 89 of the Statement of Claim is also reiterated.

"(c) *House Rent-Allowance*: The contents of this para are not admitted as stated and the contents of para No. 90 of the Statement of Claim is reiterated.

"It is further submitted that this Company itself is paying House Rent to certain Officers.

"(d) *Lunch Allowance*: The contents of this para are denied.

"It is denied that most of the employees are residing within a radius of two to three miles of the Office. It is impossible to secure accommodation within a radius of three to four miles from the office in metropolitan cities like Bombay, Calcutta, Madras, Delhi and Ahmedabad etc.

"Consequently, it is also denied that these workmen do not leave their residence before 9-30 A.M.

"On the contrary, most of them have to leave their residence even before 9 A.M.

"(e) *Washing Allowance*: In this regard it is submitted that there is no regular and constant system of paying washing charges to the Peons for getting the uniforms washed. The payment is dependent solely on the whims and fancies of the Officers in charge of a particular office. It is therefore, absolutely necessary that either the Company makes its own arrangements for getting the uniforms washed or make a regular payment at the rate of Rs. 10 per month.

"The demand is just and proper and there is no possibility of making any money out of it as this amount will fully be exhausted in getting the uniforms washed.

"(f) *Conveyance Allowance*: This para is a matter of arguments and needs no reply.

"Para No. 94 of the Statement of Claims is reiterated.

164. As regards item (a) regarding overtime allowance, the existing provision in the company as mentioned in the Annexure 'B' to Ex. 1/W is as follows:—

"Overtime wages shall be paid at the rate provided by law for overtime work done after scheduled working hours."

165. The Association's demand is that the overtime allowance for working overtime should be paid at the rate of double the hourly wage inclusive of special and other allowances, on week days, Saturdays, Holidays and Sundays. In support of this demand a comparative statement showing the overtime allowance prevailing in various General Insurance companies is produced at Ex. 11/W. It appears from this statement that various companies are paying overtime as mentioned below:—

| Name of the Company | Overtime Allowance |
|--|--|
| 1. Jupiter General Insurance Co. Ltd. | Double on total pay for attending on Sundays, 1 1/2 times on other days. |
| 2. South India Insurance Co. Ltd. | As per Bombay Shops and Establishment Act. |
| 3. India Reinsurance Corporation Ltd. | Do- |
| 4. New Great Insurance Co. Ltd. | 1 1/2 times of total pay. |
| 5. Jaybharat Insurance Co. Ltd. | As per Bombay Shops and Establishment Act. |
| 6. Indian Trade and Gen. Insurance Co. Ltd. | Do. |
| 7. Oriental Fire and Gen. Insurance Co. Ltd. | Do. |
| 8. Concord of India Insurance Co. Ltd. | Do. |
| 9. South British Insurance Co. Ltd. | Do. |
| 10. Universal Fire and Gen. Insurance Co. Ltd. | Do. |

166. Section 63 of the Bombay Shops and Establishment Act, 1948 is as follows:—

"63(1) Where an employee in any establishment other than a residential hotel, restaurant or eating house is required to work in excess of the limit of hours of work, he shall be entitled in respect of the overtime work, to wages at the rate of one and a half times his ordinary rate of wages."

167. Out of 10 companies including the company in question mentioned in Ex. 11/W and referred to above, 8 companies give overtime allowance as per Bombay Shops and Establishment Act. It is only in Jupiter General Insurance Co. Ltd., overtime allowance is at double the rate of total pay for attending on Sundays and $1\frac{1}{2}$ times on other days. The New Great Insurance Co. Ltd. also pays overtime allowance at the rate of $1\frac{1}{2}$ times of the total pay. Considering the general trend in various insurance companies to allow overtime allowance as per Bombay Shops and Establishment Act, I am of the view that the existing provision mentioned in Annexure 'B' to Ex. 1/W in respect of overtime allowance in the company in question is quite fair and adequate. It needs no modification.

168. The Association's demand is that pay for the purpose of calculating overtime allowance should include special pay and all other allowances. In my opinion this demand does not appear to be just.

169. Dearness Allowance is given for meeting the higher cost resulting in higher expenses on items such as House Rent, clothes, other necessities of life etc. I am, therefore of the view that pay for the purpose of calculating overtime allowance should be basic pay exclusive of special allowances and other allowances including Dearness Allowance. For the reasons given above, I reject the Association's demand regarding overtime allowance.

170. I, however, direct that the existing provision in the company in question of allowing overtime allowance as per Bombay Shops and Establishment Act should continue.

171. As regards item (b) regarding officiating allowance, the Association's contention is that company in question does not make any provision for the payment of officiating allowance and that the same should be paid to the employees on the terms proposed by it.

172. The learned Advocate Shri Kothari for the company contends that there is no evidence to show that officiating work is taken. The demand is vague. I am unable to accept this contention. It may be that the company, uptill now, might not have taken officiating work from the employees. But there will be occasions when the company will have to take work from the employees of higher posts. It cannot be said that the demand of the Association is in any way vague.

173. The learned Advocate Shri Kothari contends that if this demand is to be granted the person appointed to work in higher post should be eligible for officiating allowance only when the period of appointment exceeds one month. It is true that officiating allowance may be paid for working for officiating in higher posts only when the appointment is for a particular period. In my opinion if this appointment is for a period of more than 15 days, the employee concerned should be paid officiating allowance for working in higher posts. It is but natural that a person working in higher post should get allowance for such work.

174. It appears to me that the demand of the Association for officiating allowance for working in higher post is quite reasonable and fair. I accept their demand and pass the following order:—

ORDER

- i. If an employee is required to officiate in a higher post, he shall be entitled to an 'Acting Allowance' at the rate of 20 per cent of his salary for the period for which he officiates.
- ii. If an employee is required to act in a post for which Special pay is provided, he shall be entitled to pro-rata Special Allowance for the period of such work done.

175. As regards item (c) regarding hours rent allowance, the Association's case is that the company is not paying any House Rent Allowance to its employees and that it be directed to pay House Rent Allowance at the rate of 20 per cent of their basic salary per mensem, subject to a minimum of Rs. 40.

176. The learned Advocate Shri Kothari for the Company contends that to make provision for housing is the responsibility of the State and not of the employer and that House Rent Allowance be not given to the employees. In support of this contention he relies on 1959-II,LLJ, Page 366. This ruling lays down as follows:—

“There could be no doubt that an industrial tribunal has jurisdiction to make a proper and a reasonable order in any industrial dispute which might relate to demand for housing accommodation. But industrial tribunals have consistently taken the view that housing accommodation of industrial labour is the primary responsibility of the State and there has also been no difference of opinion on the point that in the present economic condition of our industries it would be inexpedient to impose on the employers the obligation to provide housing accommodation for their employees. Besides, a scheme of wages properly fixed necessarily takes into account house-rent amongst other relevant facts; and under a proper scheme of dearness allowance adjustments can be made when necessary from time to time so as to take into account an appreciable rise in the rents which industrial labour may have to pay. That is why usually tribunals do not entertain employees' claim for housing and do not even allow a separate demand for house allowance as such.

“It is further clear that industrial tribunals have consistently refused to entertain a claim for housing accommodation or for grant of special and separate house-rent allowance against their employers.”

177. The learned Advocate Shri Gadkari for the workmen contends that there is a trend for giving House Rent Allowance to employee in other Insurance Companies and if no such House Rent Allowance is allowed to the employees in question, it would amount to discrimination.

178. It appears from the Ex. 4/W that out of 16 companies 7 Insurance Companies are giving House Rent Allowance to sub-staff and others. The remaining 9 companies are not giving any Housing Rent Allowance to their staff. It cannot be, therefore, said that there is a general trend in Insurance Companies to give House Rent Allowance to the staff. Hence the contention of Shri Gadkari that if no House Rent Allowance is allowed to the staff in the company in question it will amount to discrimination, cannot be accepted.

179. In view of the ruling relied upon by Shri Kothari, it appears to me that the Industrial Tribunals consistently refused to entertain a claim for housing accommodation or for grant of special and separate house rent allowance. I, therefore, hold that the Association's demand for House Rent Allowance made in this respect has to be rejected.

180. As regards item No. (d) regarding Lunch Allowance, the Association's case is that the company is not paying any lunch allowance to its employees nor is it having any cheap canteens and that the company therefore should be directed to pay Rs. 2/- per working day as lunch allowance.

181. The learned Advocate Shri Gadkari for the Association contends that the employees have to come from long distance. It is difficult for them to bring lunch with them as they have to leave their houses early in the morning and that this demand has arisen due to a new circumstance.

182. The learned Advocate Shri Kothari on the other hand contends that lunch allowance is given whenever an employee is sent for company's work outside and when he cannot return for taking regular meals. He emphatically denies that there is any trend as there is no practice of giving lunch allowance in the industry.

183. The learned Advocate Shri Gadkari has not pointed out any authority in support of this demand for lunch allowance. The Association's reason for claiming lunch allowance is that the employees have to leave their houses early in the morning for taking their meals and they have to depend on hotel meals for their lunch resulting in putting extra burden on their emoluments, and that it is the duty of the employer to compensate the employees for this extra expenses incurred by them, does not appear to be convincing. The employees can bring lunch, while leaving for office or they can go to the nearest canteen for taking lunch. The company is not under any obligation to give any lunch allowance to them. In my opinion, the employees demand for Lunch Allowance is not just and reasonable. The same, therefore, deserves to be rejected.

184. As regards item (e) regarding Washing Allowance there is provision in the company to pay Rs. 3.60 per month to all sub-staff (excluding Havaldar) and Rs. 4.95 per month to Havaldar (vide Ex. 20/W).

185. The Association's demand is that each member of sub-staff should be paid a Washing allowance of Rs. 10 per month for washing uniforms. In support of this contention, reliance is placed on comparative statement showing washing allowance given in various Insurance Companies produced at Ex. 11/W. Out of the 10 companies including the company in dispute mentioned in Ex. 11/W, 8 companies have got their own arrangement for getting the uniforms washed. India Reinsurance Corporation Ltd. gives Rs. 8 per month to its employees for washing uniforms, while the company in question gives Rs. 3.60 per month to all sub-staff (excluding Havaldar) and Rs. 4.95 per month to Havaldar, for washing uniforms.

186. The Association has not adduced any oral evidence to show as to what actual expense for washing uniforms would come. In the absence of convincing evidence, it will be difficult to find out as to whether Rs. 10 will be required for washing uniforms. It however, appears from Ex. 11/W that India Reinsurance Corporation Ltd. gives Rs. 8 per month to each one of its employees for getting their uniforms washed but supplies 3 sets of uniforms. While the company in question supplies 2 sets of uniforms. Hence the instance of India Reinsurance Corporation Ltd. cannot be taken into consideration for allowing more amount per month for washing uniforms.

187. From the instances of other 8 companies mentioned at Ex. 11/W, it is clear that each one of the 8 companies is making its own arrangement for getting uniforms washed for its sub-staff. If this arrangement is introduced in the company in question, there will be no likelihood of any sub-staff misusing it, and the company will have to spend minimum amount for getting the uniforms washed. I am, therefore of the view that instead of allowing Rs. 10 per month or any more amount for getting the Uniforms washed for the sub-staff, the company in question should have its own arrangement for getting the uniforms washed. I, therefore, pass the following order:—

ORDER

The Company should make its own arrangement in every office in every place for getting uniforms of the sub-staff washed.

188. As regards item No. (f) regarding conveyance allowance, there is no provision in the company for giving allowance to its employees to come to office and return home from the office. The Association, therefore, demands Rs. 10 per month as conveyance allowance.

189. The learned Advocate Shri Kothari for the company contends that this demand of the Union for conveyance allowance is misleading. According to him; conveyance allowance is given to employees to go to other places during office hours on company's work. There is no justification for this demand because the employees are living in the same places where they were living and because the office exists at the same place.

190. The learned Advocate Shri Gadkari on the other hand contends that the Conveyance Allowance be not given to all but some employees coming to Bombay office from distant places, that this demand had arisen due to changed circumstances and that the same be granted.

191. The Association has produced Ex. 21/W to show that the company is giving Rs. 25/- per month as conveyance allowance to Shri B. G. Gohil and Rs. 15/- per month to Shri Ramesh J. Chandra. There can be no doubt that the company is giving conveyance allowance to these two employees only and not to other employees, that the company is giving conveyance allowance to these two persons only cannot be taken as an instance for allowing conveyance allowance to all other employees working at different places all over India. It is quite likely that due to special contract between the company and the two employees conveyance allowance is given to them.

192. The Association has not pointed out any authority or any instance where conveyance allowance has been allowed by the Tribunals to all the members of the staff for coming to office and returning to home from the office. I am, therefore, of the view that this demand regarding conveyance allowance is not reasonable and just. The same cannot be granted. It is, therefore, rejected.

Demand No. VIII: Amenities:

193. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 95 to 98 is as follows:—

"The company under reference has no provision for the free supply of text books, reading courses as also to make payment in regard to Tuition Fees, Insurance, so often called the 'Handmaid of Commerce' must not be reduced to the work of 'Unskilled Casual Labour'. It is a profession directly linked to the National Economy and as such, requires highly trained professionals among those who serve it. To reduce the burden on the employees who wish to acquire the proficiency in this profession, the Association has submitted the following demand:—

- (1) Text books for A.C.I.I. or Federation of Insurance Institute examination shall be supplied by the Company in turn. Examination fee shall be paid by the employer after the employee passes the examination.

"Amenities in regard to sports activities help in the development of the physique and mind of the workmen and thereby inncrease the efficiency in the performance of their duties. The need for providing such facilities has already been recognised in other industries and in the insurance industry as well. The employees working in the company under reference belong to the clerical cadre and are engaged in mental work and it is all the more necessary to get the facilities so that they can develop their mind and physique. The Association, therefore, demands that:

- (2) Adequate subsidy shall be given for sports, recreation and cultural activities of the employees.

"The Association submits the following demand

- (3) All the employees shall be entitled to a free Personal Accident (Annual Policy). The premium of which shall be borne by the employer. The sum assured of such a Policy shall be Rs. 10,000/-, Rs. 7,500/-, Rs. 5,000/-, and Rs. 2,500/- for the employees in Grades F, E, D & C, B & A respectively.

The Association, in order to keep the employees of the Company under reference free from the worries of their family in case of accidental death which are very frequent in these days of modernisation and industrialisation particularly in the cities of Bombay, Calcutta, Delhi, Madras, etc.; where the life has become almost mechanical, has submitted the above demand. The demand is therefore fully justified and the Honourable Tribunal may be pleased to grant the same.

"The Association submits that the following Amenities be introduced:

- (4) The employer shall introduce salary saving scheme for the purpose of direct deduction of premium towards the Life Insurance Policy of the employees.
- (5) Adequate subsidy shall be given for Cheap Canteens for supply of wholesome food to the employees in each of the office premises.
- (6) The Company shall provide two cups of tea one in the morning and one in the evening to each of the employees on working days.
- (7) The company shall provide water cooler for supply of drinking water to the employees.

The above demands are self-explanatory and just and need no further justification."

194. The Company's case in respect of this demand as made out in the written statement Ex. 1/E on page 28 is as follows:—

"The Employer submits that the employees have generally no industrial right to claim amenities of the type stated below:—

- (1) **Subsidies.**—There is no justification for the demand that the Employers should pay either for Text Books or the Examination fees. Those employees who want to improve their position in life, are expected to acquire technical or other qualifications at their own cost. If a person wants to be a Doctor or an Engineer, he must pay for his own education and it is idle for him to expect that others should incur expenses for his benefit. The Employer cannot be burdened with this type of subsidy.

- "The Company grants extra increments to those persons who pass certain examinations as mentioned herein. This should act as sufficient inducement to persons to make an attempt to improve their own future. But that does not justify the demand that the Company should also pay for books or pay examination fees.
- "(ii) The words Recreation and Cultural activities are very vague. There is no extra accommodation in the Office which could be utilised for Sports. The demand for subsidy for recreation and cultural activities is wholly unjustified. The demand must be rejected outright.
- "(iii) *Personal Accident Policy*.—This demand is fantastic and unjustified. This is not a factory where people are likely to meet with accidents. There is no justification for providing free Personal Accident Insurance to employees. If they want any such protection, they should pay for it.
- "(iv) *Salary Savings Scheme*.—The Company may consider introduction of a Salary Saving Scheme provided full details are furnished to us and subject to the stipulation that the Company is not to be called upon to contribute anything or to incur any extra expenses by employing additional staff or otherwise it does not entail any financial involvement.
- "(v) The Company has a small room which is being used as a Canteen. We have got no other accommodation to spare. We cannot also consider the demand for any subsidy. Those who want wholesome food should make their own arrangement at their own cost and we cannot do anything in the matter. The demand must be rejected.
- "(vi) The demand for tea is not justified. Those who want tea, can easily go to the Canteen, pay for it and have it.
- "(vii) *Water Cooler*.—The demand is not justified. If we supply a Water Cooler at the Head Office, obviously we have to supply it to each one of our Branches as well. The expenses involved would be too high. As a matter of fact, Ice water is being supplied freely to the Members of the Staff and that is the utmost we can do. It would involve an extra burden which the Company in the circumstances cannot bear."

195. The Company's further case in respect of this demand as made out in the rejoinder Ex. 2/E paras. 53 to 56, Page 35 is as follows:—

- "With regard to para 97 of the Statement of Claims, as to the demand for ployees have made any conscious effort to improve their knowledge or skill. Any suggestion that they have not taken the trouble to improve their technical qualifications because they did not have enough money for text books or examination fees, cannot be accepted by any fair-minded person. In order to improve their own prospects, the least that they can do is to spend money on examination fees and purchase of books. This is what all persons engaged in other professions do.
- "Referring to para 96 of the Statement of Claims, it is our suggestion to the Honourable Tribunal that amenities as such, cannot form the subject matter of an Industrial Dispute and as such the question of adjudication on these issues does not arise.
- "With regard to para 97 of the Statement of Claims, as to the demand for a free Personal Accident Policy, the Honourable Tribunal is respectfully requested to refer to our written statement in this regard.
- "As regards para 98 of the Statement of Claims, we have offered our observations in respect of these demands in our written statement and no further comments are necessary."

196. The Association in its replication Ex. 2/W on page 16 says:—

- "The contents of this para are also matters of arguments and need no reply.
- "Para No. 95 to para No. 98 of the Statement of Claims are reiterated."

197. As regards item No. (i) regarding supply of Text Books for A.C.I.I. or Federation of Insurance Institute examination and payment of fee by the employer after the employee passing the examination, the learned Advocate Shri Kothari contends that there is no justification in this demand and that those employees who want to improve their position in life, are expected to acquire technical or other qualifications at their own cost. I am unable to accept this contention.

198. The Concord of India Insurance Co. Ltd., supplies Text Books for appearing for A.C.I.I. or F.C.I.I. Examinations. Similarly, India Reinsurance Corporation Ltd., supplied reading courses for the Federation Examinations. It also reimburses the fees paid by the employees for these examinations.

199. The Insurance Association of India (Bombay Regional Council) also supplies Text Books to the Insurance Employees on loan for the Insurance Examination held by the Chartered Insurance Institute, London and the Federation of Insurance Institutes in India.

200. As the above mentioned two companies and the Insurance Association of India supply Text Books to the Insurance Employees for appearing Insurance Examination and as the Indian Reinsurance Corporation Ltd. reimburses the fees paid by the employees on passing the examination, it cannot be said that the demand of the Association in the present case for supply of Text Books and for reimbursement of fees to the employees for Insurance Examinations is in any way out of way. This demand is quite fair and just. It deserves to be accepted.

201. As there is no provision in the company in question for supply of Text Books and reimbursement of fees for these examinations I will direct that specific provision as mentioned below in this respect be made. In the end I pass the following order:—

ORDER

(i) Text Books for A.C.I.I. or Federation of Insurance Institute Examination shall be supplied by the company to the employees appearing for the examination. These Text Books shall be returned in good conditions after the examinations are over.

(ii) An employee passing any examination referred to above shall be reimbursed the fees for that examination.

202. As regards item No. (ii) regarding adequate subsidy for sports, recreation and cultural activities of the employees, the learned Advocate Shri Kothari for the company contends that there is no extra accommodation in the office which could be utilised for Sports and that the demand for subsidy for recreation and cultural activities is wholly unjustified and that the same be rejected.

203. The company in question has got offices all over India. It is not possible for the company to find out in each and every extra accommodation which can be utilised for Sports. It will not be also possible to give any subsidy for such activities of the employees all over India.

204. The contention of the Association is that Sports activities help the development of the physique and mind of the workmen and thereby increase the efficiency in the performance of their duties and that on account of this there is need for providing such facilities. In every place there are general public clubs. The employees can join those clubs and improve their physique. I do not think it is the duty of the company to provide such facilities. In my opinion their demand in this respect does not appear to be just. It deserves to be rejected.

205. As regards item No. (iii) regarding free Personal Accident Policy, the learned Advocate for the company contends that the General Insurance Industry is not a factory where people are likely to meet with accidents and that there is no justification for providing free Personal Accident Insurance to the employees. There is much force in this contention.

206. The nature of duty which the employees working in General Insurance Companies do is not the same as that of the workers working in Factories like Ammunition Factory etc. which involves risk and danger to life. That is not the case in respect of the persons working in General Insurance Companies. There is absolutely no reason for them to apprehend any accident during the course of performing their duties. If they apprehend any general risk, they can take Insurance Policy and pay for it as every-body is doing. In my opinion, there is no justification for them to demand that the company should insure their life at its cost. The employees are not entitled to free Personal Accident Policy. I, therefore, reject their demand.

207. As regards item No. (iv) in respect of introduction of salary saving scheme for the purpose of direct deduction of premium towards the life insurance policy of the employees, the learned Advocate Shri Kothari for the company contends that the company may consider the introduction of salary saving scheme provided full details are furnished to the company, and subject to the stipulation that the company is not to be called upon to contribute anything or to incur any extra

expenses by employing additional staff or otherwise it does not entail any financial involvement.

208. The demand of the Association is that the employer shall introduce salary saving scheme for the purpose of direct deduction of premium towards the life insurance policy of the employees. In my opinion, this demand will not require the employer to incur any additional expenditure or to keep any additional staff. It can undertake the responsibility of deducting the Insurance Premium of each insured employee from his salary every month and pay the same to the Life Insurance Corporation towards the policy of the employee concerned. I, therefore, direct that the company should introduce the Scheme as mentioned below:—

ORDER

The company should deduct the insurance premium of the insured employee from his pay directly every month and to pay the same towards insurance premium of the employee concerned to the Life Insurance Corporation of India after obtaining the consent of the employee concerned in writing.

209. As regards item No. (v) in respect of adequate subsidy for cheap canteens for supply of wholesome food to the employees in each of the office premises, the learned Advocate Shri Kothari for the company contends that the company has a small room which is being used as a Canteen, that the company has got no other accommodation to spare and that it cannot also consider the demand for any subsidy.

210. The Association has not pointed out any provision under which the company is under obligation to give subsidy for cheap canteen for supply of wholesome food in each of the office premises of the company. The Association has also not pointed out any reasons for allowing this demand. The company has got offices all over India, but it has no sufficient space for having Canteen in the office premises at every place. I am, therefore, of the view that this demand of the Association is not just. It deserves to be rejected.

211. As regards item No. (vi) in respect of providing two cups of tea, it is contended that this demand is not justified. Those who want tea can easily go to the Canteen and pay for it.

212. The Association has not pointed out any authority in support of its demand. However, reliance is placed on Ex. 4/W to show that some companies are providing tea to their employees on working day and other companies are giving subsidies for them. Ex. 4/W shows that out of 16 companies 8 companies give tea to their employees on working day and two companies give subsidies. The remaining 6 companies are not having any provision in this respect.

213. Though 8 companies are giving tea to their employees on working days and 2 companies give subsidies, I am of the view that this amenity should not be given to the employees in the company in question as there is no legal obligation on the company to give tea to them. The demand of the Association in this respect does not appear to be just and reasonable. The same cannot be accepted.

214. As regards item No. (vii) in respect of Water Cooler, it is contended that if the Water Cooler is provided at the Head Office, it will have to provide Water Cooler to each one of the branch offices as well, that the expenses involved in this respect will be too high and that on account of this, this demand is not justified.

215. Admittedly, the company has got offices all over India. It cannot supply Water Cooler to the employees in a particular office only. If it supplies Water Cooler in one place, it will have to supply Water Cooler at every place all over India. In that case it will have to incur very heavy expenditure without any return or benefit either to the employees or to the company.

216. In fact, Ice Water is being supplied freely to every member of the staff. Each member of the staff should therefore be satisfied with the Ice Water and he should not expect to have a Water Cooler everywhere for getting cool water. The Association has not pointed out any ground or any justification in respect of this demand. I am therefore unable to accept their demand.

Demand No. IX: Free Medical Aid:

217. The case of the Association on behalf of the workmen in respect of this demand as made out in the written Statement Ex. 1/W, paragraphs 99 and 100 is as follows:—

“The Association submits that the following medical aid Scheme may be introduced in the Company under reference:—

All medical expenses incurred by the employees and their family members shall be reimbursed by the employer without any reservation. For this purpose, medical expenses shall mean and include cost of medicines, Doctor's bills, specialists fees, cost of X-Ray and other special expenses prescribed by medical practitioners, hospital charges and all other expenses required for recovery as prescribed by medical practitioners.

“At present the company under reference is providing medical aid in the case of sickness of the employees by way of payment of cost of medicines and prescriptions subject to a maximum of Rs. 60 in a year. The Association submits that the medical aid should be provided to the extent of full payment of cost of hospitalisation, medicines and doctor's bills in regard to the employees concerned and the members of his family. The modern medical treatment has become very much expensive and beyond the means of an ordinary employee. Further the incidents of disease of long duration which need expensive treatment is also on the increase. It is further submitted that in order to keep the efficiency of the employees it is necessary that they are given proper medical aid as and when necessary. The present provision in the company was introduced as far back as in the year 1964. Since then the cost of medicines has gone up by more than 50 per cent. The provision as made then was not adequate on the price level prevailing at that time. With the rise in the prices the provision has been reduced to almost nullity. In the above circumstances the demand as made by the Association is quite reasonable. The Concord of India Insurance Co. is already having a medical scheme which allows payment of full cost of medical expense to the employees concerned. In these circumstances there is no reason as to why the company under reference should not be required to provide the facility of medical aid as demanded by the Association. It is therefore submitted that the employees whose incomes are meagre, resources scanty should not be denied this facility.”

218. The Company's case in respect of this demand as made out in the Written Statement Ex. 1/E, on page 27 is as follows:—

“Medical Aid: The existing Medical Scheme under which each one of the employees is paid Rs. 60 per year should more than meet the situation. From actual experience, we find the present scheme is being consistently abused in several cases. This is merely a method of extracting extra remuneration from the Company. In any case, the Company's financial position does not warrant granting of other medical benefits as claimed by the Union. As regards the Members of their family, we do not see where we come into the picture. These people are not our employees and the Company has nothing to do with them. What we are doing at the moment is fair and equitable. We do not mind continuing payment at the rate of Rs. 60 per year even though we are convinced that the facility is being grossly abused. The demand for medical aid for members of the Employee's families is beyond the scope of industrial adjudication as family members are not workmen. The demand is fantastic and wholly unjustified.”

219. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E, paragraphs 57 and 58, page 35 is as follows:—

“Referring to para 99 of the Statement of Claims, we invite the attention of the Honourable Tribunal to the comments offered by us in our written statement. The demand is fantastic and must be rejected outright. With regard to para 100 of the Statement of Claims, as a result of mutual agreement we decided to pay a sum of Rs. 60 per year to all the workmen from 1964. The Union itself is fully aware of the fact that this facility has been grossly abused. The money paid by us on this account till now has convinced us that it has not been spent towards improving the efficiency of the workers. The Company

has no capacity to go beyond what it has done. What the 'Concord of India' is stated to have done is not known to us. In any event, a stray example cannot justify the demand that has been put forward. Reference is also invited to the observations offered by us in the Written Statement. All other submissions, allegations and statements made by the Union are hereby denied."

220. The Association in its replication Ex. 2/W on page 16 says:—

"The contents of this para need no reply except that it is denied that the present facility of paying Rs. 60 per month to the employees on account of Medical scheme is being misused by the employees."

"Para 99 to Para 100 of the Statement of Claims are reiterated."

221. The existing medical scheme in the Universal Fire and Gen. Insurance Co. Ltd., is as follows:—

"All medical expenses including clinical investigations incurred by an employee (solely for himself) will be reimbursed by the Company on production of the bill/bills from a registered medical practitioner/practitioners and bill or bills from a registered pharmacy/pharmacies supported by a prescription from a registered medical practitioner, subject to a maximum of Rs. 60/- per year with a right to accumulation upto a maximum of Rs. 180/- during a period of three years."

222. The Association has produced a comparative statement showing medical aid scheme prevailing in various other General Insurance Companies at Ex. 13/W. The Medical Scheme prevailing in each of the company is as mentioned below:—

(1) *Jaybharat Insurance Co. Ltd.:*

- (i) Medical aid will be available to the members of the staff only.
- (ii) There shall be a Medical Fund for the employees to which the Company will contribute Rs. 9,660/- for 1966 and Rs. 12,075/- per year from 1967 onwards.
- (iii) A Committee consisting of 2 nominees of the Management and two representatives of the workmen elected by the Head Office Employees Union with the General Manager of the Company as *Ex-Officio* Chairman of the Committee will be constituted at Head Office to manage the Medical Relief Fund of the employees.
- (iv) All employees shall receive medical expenses upto a maximum of Rs. 60/- upto 31-12-1966 and Rs. 75/- from 1-1-67 per head per year and the said payment shall be reimbursed by the Company on production of medical bills from a Registered Medical Practitioner. In case an employee not availing the full amount or part thereof the same can be accumulated upto Rs. 225/- over a period of three years. Accumulated amount in excess of Rs. 225/- will be deemed to have lapsed and the same shall be credited to the Medical Relief Fund. Medical expenses shall be paid for clinical investigations as well. Expenses incurred by an employee for prolonged illness and/or for hospitalisation, the Board of Directors of the Company will consider individual applications for reimbursement.

In case the Medical Relief Fund is not found adequate the same will be improved by the management on a review of the working of the scheme every year.

(2) *Oriental Fire & General Insurance Co. Ltd.:*

- (A) All the confirmed employees of the Company will be allowed a cash medical benefit of Rs. 100/- per calendar year with accumulation permitted upto three years. The benefit of the amount can be utilised by the employee for himself, his wife children under 18 years of age (in the case of female employees for herself, her husband, children under 18 years of age) and widowed mother mainly dependent on the employee and staying either with the employee or with the employee's wife/husband and children. Payment of the aforesaid amount shall be subject to the following conditions:
 - (i) Benefit can be claimed only if the treatment is had from a Registered Medical Practitioner.
 - (ii) All Medical bills shall in the first instance be paid by the employee. He/She can, thereafter, recover the admissible amount from the Company.

- (dii) The Company may have the bills for treatment submitted by the employee scrutinised, if necessary.
- (iv) Medical expenses upto the admissible limit and properly incurred by the employee shall be paid by the Company ordinarily on production of bills by the employee within six weeks. Payment shall be made ordinarily within six weeks of the production of bills. The said bills shall be accompanied by the Certificate from the Registered Medical Practitioner whose treatment was availed of during the illness.
- (v) The *pro-rata* increase of Rs. 25/- for the year 1967 shall be allowed to be carried forward as accumulation only to be utilised in future.
- (vi) Employees who have not put in a full year's service during any calendar year shall be entitled to the proportionate amount calculated on *pro-rata* basis from the 1st of the month following their date of confirmation.
- (B) In the case of prolonged and major illness of the employee himself, the Company at its discretion shall consider granting financial assistance on the merits of each case.

(3) *New Great Insurance Co. Ltd.:*

- (i) (a) The benefits under the above Scheme will be available to all permanent workmen of the Company covered by this settlement.
- (b) The workman must have completed one year's service to enable him/her to get the benefits under this scheme. A workman will be entitled to join this Scheme on the 1st day of January of the year following completion of his/her one year's service.
- (ii) The Company will create a separate fund called the Company's Medical Aid Fund for medical aid of the workmen by contributing to the said fund a sum of Rs. 75/- per year to the credit of each workman, to be utilised for the benefit of the workman in the manner hereinafter provided.
- (iii) A workman will take medical treatment as and when he may require the same from his own doctor who shall be a registered Medical Practitioner.
- (iv) Any workman entitled to the benefits of the Scheme will submit his/her Bill in respect of costs of mixtures, injections, patent medicines, X-rays, pathological examinations, specialists' consultation fee but excluding dentists' Bills and maternity expenses, together with supporting vouchers at the end of every three months, viz. 31st March, 30th June, 30th September & 31st December of every year, for medical treatment undergone by him/her to the Company who, if satisfied about the same, will reimburse the workman by paying three-fourths of the amount of the bill out of the amount standing to his/her credit in the said fund, provided that the amount payable to a workman shall not exceed Rs. 75/- per year.
- (v) If a workman has not taken advantage of the Medical benefit available to him/her under the scheme during any year, he/she will be entitled to accumulate the unused or unspent amount lying to his/her credit for three consecutive years i.e. to accumulate to his credit a sum of Rs. 225/- and he/she may if so necessary, be allowed to take benefit of the scheme upto Rs. 225/- for three years provided that if the amount is not at all utilised by him/her at the end of the period of three years, the entire amount or portion thereof lying to his/her credit shall lapse and shall then belong to the Company.
- (vi) A workman shall take all reasonable precautions to prevent injury or illness to himself/herself and especially when any disease is prevalent in epidemic form.
- (vii) If a workman has to undergo hospitalisation treatment, the Company will bear and pay the expenses of such hospitalisation upto three-fourth of such expenses of hospitalisation actually incurred by the workman on

production of the bills. The Bills that will be reimbursed by the Company shall not exceed three weeks hospitalisation per year, in the manner specified below:—

Three-fourths of actual charges but not exceeding

| | |
|-------------------------------------|---------------------------|
| Staff (Lower Grade to Higher Grade) | Rs. 20/- per day as room |
| Record Clerks, Drivers & Sub-staff: | charges. Rs. 10/- per day |
| | as room charges. |

In addition to the above, operation and other medical expenses incidental to the hospitalisation, such as honoraries' visit charges, operation theatre or table charges, medicines & injections will also be borne by the Company to the extent of 3/4th of the amount applicable to the class nearest to the one referred to in this paragraph. The Company will reimburse a workman to the extent of three-fourths of hospitalisation expenses as mentioned above, on production of bill of such charges.

(viii) Under this Scheme of Medical Aid, a workman will not be entitled to medical benefit in the following cases:—

- (a) insanity, venereal diseases or any medical treatment necessitated by a workman's own rash or reckless act, and/or
- (b) any medical treatment other than hospitalisation taken by a workman outside the city/town where the office of the company concerned is situated. (The benefit will, however, be available to such workmen who have their place of residence outside the city/town where the office of the Company is situated, and who attend to their work from such place of residence).

**** (4) South British Ins., Co. Ltd.:**

The Company agrees to pay each employee the total expenses from January to December of each calendar year on account of medical attendance and treatment payable by him not exceeding Rs. 100/- effective from 1st January 1960.

**** (5) Commercial Union Ins., Co. Ltd.:**

The Company will implement a Medical Aid Scheme in consultation with the Group Committee for the benefit of the Company's permanent staff subject to a limit of Rs. 100/- in each calendar year for each member of the clerical or subordinate staff. Any expenses incurred in excess of this amount may be reimbursed by the Company at the sole discretion of the Branch Manager.

**** (6) Eagle Star Insurance Co. Ltd.:**

The management shall agree to contribute to a Medical Aid Scheme for the benefit of the staff. The Company's contribution in respect of any employee shall not exceed the sum of Rs. 100/- in any calendar year.

(7) Universal Fire and Gen. Ins., Co. Ltd.:

All medical expenses including clinical investigations incurred by an employee (solely for himself) will be reimbursed by the Company on production of the bill/bills from a registered medical practitioner/practitioners and bill or bills from a registered pharmacy/pharmacies supported by a prescription from a registered medical practitioner, subject to a maximum of Rs. 60 per year with a right to accumulation upto a maximum of Rs. 180 during a period of three years.

******The dispute regarding scales, dearness allowance etc., is at present pending in Adjudication. The employees are getting interim relief equivalent to 15 per cent of the gross earning.

223. On comparing the existing medical benefit scheme prevailing in the Universal Fire and General Insurance Company Ltd., with the medical aid scheme prevailing in other Insurance companies referred to above, it will be clear that the employees in the Universal Fire and General Insurance Company Ltd., are not getting the same medical benefits which the employees of the General Insurance Companies referred to above are getting. It is, therefore, necessary that their medical aid scheme should be liberalised to some extent atleast.

224. The learned Advocate Shri Kothari for the company contends that it is the responsibility of the State to give medical aid to the public and that it is not the responsibility of the employer to give medical aid to its employees. He further contends that this amenity cannot be claimed as a matter of right. This contention cannot be accepted.

225. Admittedly the company in question is having medical aid scheme for its employees. The other General Insurance companies are also giving medical aid to their employees. Hence it cannot be said that the company in question is not under any obligation to have some medical aid scheme to their employees. If the company wants that its employees should work more, it is absolutely necessary that it should give them as many amenities as are possible. It is in the interest of the Insurance Industry that this amenity should be provided to its employees.

226. The learned Advocate Shri Kothari further contends that the present medical aid scheme is abused by the employees and that no further benefits be given to them. This contention is misconceived.

227. If some employees misused the medical aid scheme, the employer can take necessary action against the employee concerned if it is so found. The employees in general cannot be denied the medical aid simply because some employees misused it.

228. The learned Advocate Shri Kothari contends that the companies mentioned in Ex. 13/W are not comparable companies and that the Medical Aid Scheme prevailing in those companies cannot be compared with the Medical Aid Scheme existing in the company in question. I am unable to accept this contention.

229. The other companies mentioned in Ex. 13/W carry on General Insurance business. The company in question is also carrying on the General Insurance Business. Considering the extent of business and profit of each company I am of the view that the Medical Aid Scheme in other General Insurance companies mentioned in Ex. 13/W can be taken into consideration for deciding whether the Medical Aid Scheme prevailing in the company in question is adequate or not. I have already pointed out that other companies are giving more medical benefits to their employees than the company in question.

230. The learned Advocate Shri Kothari contends that there is no reason for liberalisation of the Medical Aid Scheme existing in the company in question. I am unable to accept the same.

231. On comparing the Medical Aid Scheme prevailing in other companies I find that it is necessary to liberalise the Medical Aid Scheme existing in the company in question.

232. The learned Advocate Shri Gadkari for the employees contends that according to the present Medical Aid Scheme existing in the company in question, Medical Aid is given to the employees and not to their whole family and that this benefit be extended to the whole family.

233. Having regard to the Medical Aid Scheme prevailing in various other General Insurance Companies and considering the arguments of both the parties and the facts and circumstances of the case, I am of the view that the existing Medical Aid Scheme in the Universal Fire and General Insurance Company should be modified by making the benefits available to the family members of the employees. In my opinion, the benefits of the amount should be utilised by the employee for himself, his wife and children under 18 years of age (in the case of female employees for herself, her husband, children under 18 years of age) and widowed mother mainly dependent on the employee and staying either with the employee or with the employee's wife/husband and children.

234. I, therefore, accept this demand to this extent and pass the following order:--

ORDER

In place of the existing Medical Aid Scheme in the Company in question the following Medical Aid Scheme should be introduced:

"All medical expenses including clinical investigations incurred by an employee or his family members i.e. his wife, children under 18 years

of age (in the case of female employee for herself, her husband, children under 18 years of age) and widowed mother mainly dependent on the employee and staying either with the employee or with the employee's wife/husband and children, will be reimbursed by the Company on production of the bill/bills from a registered medical practitioner/practitioners and bill/bills from a registered pharmacy/pharmacies supported by a prescription from a registered medical practitioner, subject to a maximum of Rs. 60/- per year with a right to accumulation upto a maximum of Rs. 180/- during a period of three years."

Demand No. X: Gratuity:

235. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W, paragraphs 101 to 104 is as follows:—

"The company under reference is having Gratuity Scheme. Details of Gratuity schemes prevailing in the company under reference is shown in Annexure 'B'. The Association submits that the following scheme of Gratuity may be introduced in all the offices of the company.

Gratuity.—On retirement, or retrenchment or on death or on total and permanent disability of an employee while in the service of the Company.

One month's basic salary for each year of continuous service subject to maximum of 20 months basic salary.

On resignation from service after completion of 10 years continuous service:

One month's basic salary for each year of continuous service subject to a maximum of 20 months basic salary.

On termination of service by the Company:

One month's basic salary for each completed year of service but not more than 20 months basic salary.

The salary for the purpose of calculating Gratuity shall be terminal basic salary drawable by the employee previous to death, disablement, retirement, resignation, retrenchment or termination of service as the case may be.

"The existing scheme of gratuity in the company does not make adequate provision towards retiral benefits. The prices are rising very high and the purchasing power of the monetary amount is getting reduced day by day. In these circumstances it is necessary that any reasonable gratuity scheme must make adequate and proper provision for this benefit. The present trend in the region for framing the gratuity schemes is on the lines as demanded by the workmen. The Supreme Court of India in the case of Greaves & Co. vs their workmen while dealing with the demand for gratuity made the following observations:

"Lastly we come to the question of gratuity. The attack in this connection is on two aspects of the gratuity scheme. The first is about the fixation of 20 months as the maximum instead of 15 months, which was usual so far. The second is with respect to deduction from was usual so far. The second is with respect to deduction from gratuity only to the extent of the financial loss occasioned by misconduct in case of dismissal for misconduct. So far as the second provision is concerned it cannot be disputed but this is the usual provision that is being made in that region. So far as the increase in maximum from 15 months to 20 months, it appears, that the tribunal has relied on a number of cases in which the maximum is higher than 15 months wages. In these circumstances, considering that tribunals have now begun to give a higher ceiling, and in one concern viz. Mackinnon Mackenzie the ceiling has been fixed even so high as 30 months by agreement, we do not think that any interference is called for in the present case" (LLJ 1964 Vol. 1 P. 342).

"It is further submitted that some of the Insurance companies the ceiling has been raised to 20 months on all India level. By an award of this Honourable Tribunal the ceiling of gratuity was raised in the case of Indian Mercantile Insurance Co. to 20 months.

"The above observations clearly prove that the ceiling of 20 months is now becoming a rule rather than an exception. The demand for gratuity in terms of the above scheme is therefore quite reasonable and within the paying capacity of the company concerned."

236. The Company's case in respect of this demand as made out in the written statement Ex. 1/E, on page 27 is as follows:—

"We are sorry to say that the scheme suggested by the Union is simply fantastic. Acceptance of any such scheme, would be enough to liquidate an institution much bigger than ours. Considering our size and our resources, we have done the best that we could and it is not possible for us to consider even the slightest alterations in the existing scheme. If a couple of Companies have a slightly different scheme, it does not mean that a "trend" has already been established.

"There are already two retirement benefits that the employees are getting in this Company viz. Gratuity and Provident Fund. As discussed earlier, the Company has no long-term profitability prospects and its reserves are just enough to meet the existing burden of gratuity leaving apart its other financial commitments. Under these circumstances, there is no case for modifying the existing Scheme. It must also be remembered that the employees get the Company's contribution to Provident Fund at the time of retirement and this in itself is a substantial amount. We can only say this that we are absolutely unable to invite further burdens in any shape or form. The demand must be rejected outright."

237. The Company's further case in respect of this demand as made out in the rejoinder Ext. 2/E, Paras 59 to 61 page 36 is as follows:—

"Referring to para 101 of the Statement of Claims, there is no justification whatsoever for effecting any change in the existing Gratuity Scheme. As it is, the Gratuity Scheme has meant a tremendous financial burden to the Company, having regard to our very slender resources. It may be pointed out that while the exact liability in respect of Gratuity has not so far been computed, it looks as if the entire free Reserves of the Company would be swallowed up in paying Gratuity to workmen even on the existing basis. The Company has very limited resources and it has still to build up its financial strength. In the process, it cannot also find further Funds for payment of Gratuity on an increased burdens—directly or indirectly, is neither warranted called-for. The existing Gratuity Scheme is also in consonance with the practice obtaining in comparative units or in a cross-section of the Insurance Industry in general. One isolated instance here and there, cannot be deemed to set a pattern for the industry as a whole and the Hon'ble Tribunal should take into account conditions prevailing in the industry generally on a cross-section basis.

"With regard to para 102 of the Statement of Claims, it is denied that the present trend in this region for framing the Gratuity Scheme, is on the lines as demanded by the workmen. Something which was deemed adequate only a couple of years back cannot be deemed to be out-of-date today. To try to link the Gratuity Scheme indirectly with the Cost of Living Index as the Union has sought to do, is absolutely illogical and unwarranted. Gratuity benefits cannot be adjusted and re-adjusted from time to time in accordance with fluctuations in the price-level. The Employer has to be more or less certain as to the nature and quantum of his commitments in such matters and changes cannot be effected every 24 months in respect of Gratuity benefits. It must be remembered that there is also the Provident Fund to which the Company contributes every year and the amount accumulated in the Fund, is also available at the time of retirement. Further, like every other thrifty person an employee has to save a reasonable amount out of his normal earning and provide for the day when he expects to retire. The reference to what happened in Mackinnon Mackenzie & Co. is absolutely irrelevant. The principle to be followed must be industry-cum-region wise and comparison of "like with like".

"With regard to paras 103 and 104 of the Statement of Claims, if in a stray case some Insurer has agreed to step up the Gratuity benefits for certain reasons, it does not mean that every body else in the Industry

must or can follow suit or copy the example. The financial capacity of the Insurer concerned has always to be taken into account. The demand made by the Union must be rejected outright. Incidentally, we would request the Honourable Tribunal to clarify in the Award that no Gratuity shall be payable if and where retrenchment compensation is paid."

238. The Association in its replication Ex. 2/W on page 17 says:—

"The contents of the written statement are denied and para No. 101 to para No. 104 of the Statement of Claims are reiterated.

"It is, however, admitted that there is a Scheme of Provident Funds in existence but the same is very old and is not adequate to meet the requirements of the employees at the time of their retirement."

239. The existing scheme of Gratuity in force in the company is as follows:—

"On voluntary retirement or resignation,—

A. (i) After completion of 5 years' service, but not over 10 years, gratuity will be paid to an employee at the rate of half month's basic salary for every completed year of service.

(ii) On completion of 10 years' service and over, gratuity will be paid to an employee at the rate of 3/4th month's basic salary for every completed year of service subject to a maximum of 15 months' basic salary.

B. On compulsory retirement or termination of his services (except in the case of dismissal in which case no gratuity whatsoever will be payable) or on his resignation due to permanent disability or in case of death, gratuity will be paid to a permanent employee or his heirs or assignees as the case may be, at the rate of three fourth month's basic salary for every completed year of service, subject to maximum of 15 months' basic salary to which the employee was entitled on the date of occurrence of the event entitling the employee for the payment of gratuity.

C. The period of service of an employee for the purpose of gratuity shall be taken as from the date of his confirmation or six months after his joining whichever is earlier in the service.

D. The salary for the purpose of calculating gratuity shall be the terminal basic salary exclusive of Dearness Allowance or any other allowance."

240. As per the existing scheme of Gratuity in force in the company, referred to above, no gratuity is payable to an employee in case of his dismissal from service. It is contended that this provision of not allowing Gratuity in case of dismissal from service is not fair and proper and that the same be deleted from the existing scheme, making some other proper and suitable scheme in its place. There is much force in this contention.

241. In 1963 ILLJ, Page 118, (Hindustan Times Ltd. and their workmen), it has been observed by their Lordships of the Supreme Court as follows:—

"One provision in the gratuity scheme which ought to be mentioned is that under it an employee who is dismissed for misconduct shall not be entitled to any gratuity. It has been pointed out by this Court in more than one case that having regard to the nature of gratuity it will not be proper to deprive an employee of the gratuity earned by him because of his dismissal for misconduct and the proper provision to make in this connection is that where an employee is dismissed for misconduct which has resulted in financial loss to the employer the amount lost should be deducted from the amount of gratuity due."

242. In the Gratuity Scheme of Concord of India Insurance Co. Ltd. produced at Ex. 14/W, there is a provision as mentioned below:—

"NOTE,—(i) Gratuity will not be payable to a workman discharged or dismissed for misconduct causing financial loss to the company to the extent of the loss so caused."

243. In the Memorandum of Settlement (in Reference No. CGIT-2/25 of 1968) between the Association and the British India General Insurance Co. Ltd. and the Zenith Assurance Co. Ltd., there is a provision as mentioned below:—

"In the event of dismissal of a workman, for gross misconduct involving financial loss to the Company, the amount of gratuity, if any payable,

in terms of the above Rules shall be reduced by the amount of financial loss caused to the Company by the misconduct, resulting in the termination of service."

244. In 1964, I.L.L.J. Page 342 (Between Greaves Cotton & Co. Ltd. and others and their workmen) (Greaves Cotton and Allied Companies Employees' Union), it has been held by their Lordships of the Supreme Court as follows:—

"The industrial tribunal, considering the number of other instances, increased the maximum of gratuity payable from 15 months to 20 months' and also directed *inter alia* that deduction from gratuity in the case of an employee dismissed for misconduct involving financial loss to the extent of such loss only. In the circumstances, it was held that no case for interference was made out in the appeal by special leave filed by the employers in this respect."

245. Considering the provisions of Gratuity Schemes of Concord of India Insurance Co. Ltd., and the British India General Insurance Co. Ltd. and the Zenith Assurance Co. Ltd. and the two rulings of the Supreme Court referred to above, it is crystal clear that the provision in the existing scheme of Gratuity in force in the Company, of not paying Gratuity in case of dismissal of an employee from service is not fair and proper. Hence the same provision has to be deleted from the existing provisions of Gratuity, and a new provision in its place as laid down under as to be made:

Where an employee is dismissed for gross misconduct which has resulted in financial loss to the company, the amount lost shall be deducted from the amount of gratuity due and the balance if any be paid to him.

246. The Association's next demand is that the clause regarding salary for the purpose of calculating Gratuity in the existing Scheme of Gratuity be replaced by another clause as mentioned in para. 101 of the written statement Ex. 1/W referred to above.

247. The Association has produced a comparative statement showing the Gratuity Scheme prevailing in various General Insurance Companies at Ext. 14/W. I will refer to the definition of salary for the purpose of calculating Gratuity, given in the Scheme of Gratuity of each company.

(1) "Hindustan General":

"Salary for the purpose of calculating gratuity shall mean the basic salary exclusive of all allowances of an 'Employee' or an 'Official' on the day of the 'Employee' or the 'Official' ceases to be in the employment of the Society."

(2) "Concord of India":

"NOTE: (2) For the purposes of calculation of Gratuity the basic salary last drawn by the workman will be taken as the basis....."

(3) "South India":

"N.B. 1—Salary for the purpose of calculation of gratuity shall mean terminal basic salary."

(4) "Oriental Fire":

"(1) Salary for the purpose of gratuity shall be 100 per cent of the terminal basic salary."

(5) "British India":

"Explanation: (a) 'Salary' for the purpose of calculating gratuity shall mean basic salary last drawn exclusive of allowances of an employee".

248. In the Memorandum of Settlement (Reference No. CGIT-2/25 of 1968) between the Association and the British India General Insurance Co. Ltd. and

the Zenith Assurance Co. Ltd., definition of salary for the purpose of calculating Gratuity given is as under:—

“Explanation: ‘Salary’ for the purpose of calculating gratuity shall mean basic salary last drawn exclusive of Dearness Allowance, other Allowances, and all other perquisites.”

249. On examining the definition of salary for the purpose of calculating gratuity, given in each scheme of the gratuity, referred to above, it is clear that the expression ‘terminal basic salary’ means basic salary last drawn by the employee. The term ‘basic salary’ means the salary exclusive of Dearness Allowance and all other allowances and all other perquisites.

250. Bearing in mind the meaning of the expression ‘terminal basic salary’, if we examine the definition of salary for the purpose of calculating Gratuity, given in the existing scheme of Gratuity in force in the Company and in the proposed scheme of Gratuity by the Association referred to above we find no difference. Hence even the definition of salary for the purpose of Gratuity given by the Association in the proposed scheme of Gratuity mentioned in Ex. 1/W para. 101 is accepted, there will be no difficulty to the company in any way. This change would not affect the company in any way. I am, however, of the view that this definition of salary with certain additions should be accepted. I, therefore, direct that the following explanation should be added below the new Gratuity Scheme and the clause D in the existing Scheme of Gratuity in force in the company, be deleted.

Explanation to be added below the Gratuity Scheme:

Explanation: ‘Salary for the purpose of calculating Gratuity shall be the terminal basic salary (i.e. salary last drawn) drawn by the employee previous to death, disablement, retirement, resignation, retrenchment, discharge or termination of service as the case may be. This terminal basic salary for the purpose of calculating Gratuity shall be exclusive of Dearness Allowance, other allowances and all other perquisites.”

251. Under the existing Scheme of Gratuity in force in the company the maximum Gratuity which can be paid to an employee is 15 months’ basic salary. The Association’s demand is that this maximum should be increased to 20 months’ basic salary. In support of this contention reliance is placed on the comparative statement Ex. 14/W. showing the Gratuity Scheme prevailing in the various General Insurance Companies and the observations of the Hon’ble Supreme Court in the case of Greaves Cotton & Co. Ltd. and others and their workmen (1964, I. LLJ. Page 342) (relevant portion on page No. 351), referred to above.

252. It appears from the statement, Ex.14/W, that maximum Gratuity which can be paid to an employee is 20 months’ basic salary in the Insurance companies, mentioned below:—

- (i) Hindustan General.
- (ii) Concord of India.
- (iii) Oriental Fire.
- (iv) British India.
- (v) New India.
- (vi) Calcutta Insurance., and
- (vii) Jaybharat Insurance.

253. Considering the Gratuity Schemes prevailing in the several Insurance Companies referred to above and the observations of their Lordships of the Supreme Court, made in 1964, I. LLJ. Page 342 (relevant portion at page 351), referred to above, the Association’s demand that the maximum Gratuity which can be paid to an employee should be increased to 20 months’ basic salary appears to be just and fair.

254. The Company contends that it has no long-term profitability prospects, that its reserves are just enough to meet the existing burden of Gratuity, leaving apart its other financial commitments and that there is no case for modifying the existing scheme. I am unable to accept this contention.

255. The Association has produced statement, Ex.5/W to show the financial capacity of ‘Universal Fire’ i.e., the company in question. It appears from this statement for the years from 1959 to 1967 that the company’s profits have risen from Rs. 2,84,751.33 to Rs. 11,53,782.98. The company’s financial position is quite sound. It can bear the additional burden due to the modification of the existing Gratuity Scheme.

256. The company further contends that if a couple of companies have a slightly different scheme, it does not mean that a 'trend' has already been established. This contention cannot be also accepted.

257. In reference No. CGIT-9 of 1964 (Employers in relation to Hercules Insurance Company Ltd., Bombay and their workmen) published in the Gazette of India, dated 17th July, 1965, Part II Section 3(ii), page 2442, Shri Salim Merchant, Presiding Officer, Central Government Industrial Tribunal, Bombay, has observed as follows—in para 51:—

"I am satisfied that the general trend in Bombay, as noticed by the Hon'ble Supreme Court in its decision in Greaves Cotton & Company's case is to increase the maximum of the amount of gratuity payable and to raise it to 20 months basic pay and that the general insurance companies are now beginning to follow that trend. I feel that there is force in the Union's plea that at the present high cost of living the ceiling of gratuity needs to be increased if it is to serve fully the purpose of a retiral benefit on which the workmen can fall back in their old age for some little source of income. I would, therefore, direct that in the events of voluntary retirement and termination of service by the employers the rate of gratuity after completion of 30 years continuous service shall be at the rate of one month's basic pay for each completed year of service with a maximum of 20 months' basic pay or salary. The gratuity to be calculated on the basis of the pay or salary drawn on the date of occurrence of the event entitling the workmen to payment of gratuity and as fixed by the Scheme of gratuity awarded by me in my last Award.....".

258. By agreement (Reference No. CGIT-2/25 of 1968) between the Association and the British India General Insurance Co., Ltd., and the Zenith Assurance Co., Ltd., the maximum amount of Gratuity payable to an employee is fixed as 20 months' basic salary last drawn exclusive of Dearness Allowance, other allowances and all other perquisites.

259. In short considering the Gratuity Schemes prevailing in various Insurance Companies, referred to above, and having regard to the observations of their Lordships of Supreme Court, made in 1964-I, LLJ, Page 341 (relevant portion on page No. 351) there can be no doubt that the general trend in Bombay is to increase the maximum of the amount of Gratuity payable.

260. Under the existing Scheme of Gratuity in the company, Gratuity is payable to an employee at the rate of half month's basic salary for every completed year of service in case of voluntary retirement or resignation after completion of 5 years service and at the rate of 3/4th month's basic salary for every completed year of service in case of voluntary retirement or resignation on completion of 10 years service and in case of compulsory retirement or termination of service or on resignation due to permanent disability or in case of death. The Association's demand is that Gratuity should be paid at the rate of one month's basic salary in all these cases.

261. From the statement, Ext. 14/W it appears that there is no uniformity in the General Insurance Companies regarding the rate of payment of Gratuity. Different rates are prevailing in different General Insurance Companies.

262. The Association contends that the existing Scheme of Gratuity in the company does not make adequate provision towards the retiral benefits. The prices are rising very high and the purchasing power of the monetary amount is getting reduced day by day. There can be no doubt that the cost of living is going very high from day to day and that the purchasing power is being reduced day by day. It is, therefore, necessary to allow the reasonable rate of payment of Gratuity.

263. In my opinion if the rate of payment in the existing Scheme of Gratuity is raised from half month's basic salary to 3/4th month's basic salary and 3/4th month's basic salary to one month's basic salary, it will be reasonable, adequate and fair. This will make sufficient provision towards the retiral benefits of the employees.

264. The Company contends in its rejoinder at Ex.2/E, para 61, that the Hon'ble Tribunal to clarify in the Award that no Gratuity shall be payable if and where retrenchment compensation is paid.

265. Retrenchment compensation is payable under the provisions of Industrial Disputes Act, 1947, while the Gratuity is payable under the Gratuity Scheme existing in the company or the Scheme that is to be made applicable to the company. Gratuity and retrenchment compensation are two distinct items. In my opinion, even if a person is paid retrenchment compensation, he should also be paid Gratuity admissible to him under the Gratuity Scheme. He cannot be deprived of the Gratuity amount in case of retrenchment, though he is given retrenchment compensation. Otherwise there will be great hardship and injustice to the employees. Hence the contention raised by the Company in this respect cannot be accepted.

266. In view of the above findings, I pass the following order:—

ORDER

In place of the existing Scheme of Gratuity in force in the company, the following Scheme of Gratuity be introduced:

On voluntary retirement or resignation:—

A. (i) After completion of 5 years' service, but not over 10 years, Gratuity will be paid to an employee at the rate of $\frac{3}{4}$ th month's basic salary for every completed year of service.

(ii) On completion of 10 years' service and over, Gratuity will be paid to an employee at the rate of one month's basic salary for every completed year of service subject to a maximum of 20 months basic salary.

B. (i) On compulsory retirement or termination or discharge or on his resignation due to permanent disability or in case of death, Gratuity will be paid to a permanent employee or his heirs or assignees as the case may be, at the rate of one month's basic salary for every completed year of service subject to maximum of 20 months' basic salary to which the employee was entitled on the date of occurrence of the event entitling the employee for the payment of Gratuity.

(ii) In case of dismissal or discharge of an employee for misconduct which has resulted in financial loss to the company the amount of loss shall be deducted from the amount of Gratuity due to the employee and the balance if any be paid to him.

C. The period of service of an employee for the purposes of Gratuity shall be taken as from the date of his confirmation or six months after his joining whichever is earlier in the service.

Explanation.—'Salary' for the purpose of calculating Gratuity shall be the terminal basic salary (i.e., salary last drawn) by the employee previous to death, disablement, retirement, resignation, retrenchment, discharge or termination of service as the case may be. This terminal basic salary for the purpose of calculating Gratuity shall be exclusive of Dearness Allowance, other allowances and all other perquisites.

Demand No XI: Retirement Age:

267. "The age of retirement of an employee shall be 60 years."

268. The case of the Association on behalf of workmen in respect of this demand as made out in Written Statement Ex. 1/W, Para. 105 is as follows:—

"The age of retirement in the Company under reference is 58 years. The Association submits that the age of retirement in all the officers of the company under reference may be fixed at 60.....".

269. The Company's case in respect of this demand as made out in the Written Statement Ex.1/E on the Page 28, is as follows:—

"We do not mind the retirement age of the employees being fixed at 60. This change may however, come into force from the date the Award comes into force. But the Company will have a right to ask any employee to undergo a medical check-up at the Company's cost and by a Doctor to be appointed by the Company, after an employee reaches age 58."

270. In the Rejoinder of the Company, produced at Ex.2/E, in Para 62 at page 37, the Company contends as follows:—

“Referring to para 105 of the statement of Claims, we have indicated our agreement in the Written Statement to the retirement age being fixed at 50 subject to the healthy proviso that we shall have the right to ask any particular employee on his attaining age 58 to undergo a medical examination and produce a Certificate of fitness at our cost. Our demand is eminently fair and reasonable. After all, we have a right to ensure that an employee is physically fit and the employee concerned has certain definite obligations in return for the remuneration that he receives.”

271. The learned Advocate Shri Gadkari for the Workmen contends that there is consistent trend in the Bombay region to fix the retirement age at 60. In support of this contention he relies on the ruling reported in the 1964-II, LLJ, Page 644 in the case between Talang G. M. and others *versus* Shaw Wallace and Co., Ltd., and another.

272. In the case between Imperial Chemical Industries (India) (Private) Ltd., Bombay and its workmen, reported in the 1960, II, LLJ, Page 716, where the Tribunal raised the age of retirement from 55 to 58, both parties appealed to the Supreme Court. The Supreme Court has observed that the evidence on record strongly suggests almost a uniform tendency in Bombay to fix the age of retirement at 60 and not at 55.

273. It is observed by their Lordships of the Supreme Court in the above mentioned case on page 720 as follows:—

“As this Court pointed out in the case of Dunlop Company (Supra), the recent trend in the Bombay area clearly appears to be to fix the age of retirement at 60. That being so, we see no reason why the age of retirement of the workmen in the present appeal should not be similarly fixed.”

274. In the case of Talang (G.M.) and others and Shaw Wallace & Co. Ltd., and another, reported in 1964-II, LLJ, page 644, it is observed by their Lordships of Supreme Court as follows:—

“As observed in the two decisions in 1960-II, LLJ, 716 and 1959-II, LLJ, 826, the trend in the Bombay Region is to fix the age of retirement at 60 years.”

275. There could not be any doubt from the various rulings of the Supreme Court, that the Supreme Court has recognised the trend in Bombay Region to fix the age of retirement at 60 years.

276. The learned Advocate Shri Gadkari relies on the report of the Normus Committee, referred to in 1964-II, LLJ, Page 647, in the case between Talang (G.M.) and another and Shaw Wallace & Co. Ltd., and another. It is as follows:—

“After taking into consideration the views of the earlier committees and commissions including those of the Second Pay Commissions the report of which has been released recently, we feel that the retirement age for workmen in all industries should be fixed at 60. Accordingly, the norm for retirement age is fixed at 60.”

277. The opinion of the Normus Committee referred to above clearly supports the view that the retirement age of clerical and subordinate staff should be fixed at 60 years, in all industries.

278. In the case between Talang (G.M.) and others and Shaw Wallace & Co. Ltd., and another, their Lordships of Supreme Court have referred to the Pay Commission's report, referred to in 1964-II, LLJ, Page 645. The relevant portion is as follows:—

“As has already been noticed, there is no dispute that the age of compulsory retirement should not remain at 55. The dispute is whether it should be fixed at 58 or at 60. It is interesting to refer in this connexion to the information that has been collected by the Pay Commission (1957-59) as regards the pensionable ages prescribed under the pension Insurance schemes for employees generally or for Industrial employees and under social assistance or universal schemes in 48 countries in 1954. According to this the pensionable age is 70 in two countries, 67 in another two, 65 in twenty-four, 60 in seventeen, 55 in two and 50 in one. Thus out of 48 countries for which

information was available it was found that in 45 countries the pensionable age was fixed at 60 or more. As the Pay Commission Report pointed out:—

“This is particularly remarkable, considering that the countries differ widely in demographic constitution, levels of economic development, and climatic and social conditions; and it indicates a virtual unanimity of competent opinion that balancing the various factors—physiological, economic and social—that are relevant the normal working life should continue up to the age of 60, and may well go on up to 65 years.”

The Supreme Court has further observed as follows:—

“It is undoubtedly more useful, however and indeed essential for our present purpose to examine the trends in this matter in our own country and specially in the region in which the present dispute has arisen. In the delicate task of adjusting needs of the employees to the interests of the employers and what is even more important to the general interests of the country at large, industrial adjudication has to pay special attention to the prevailing practice in the industrial region concerned. If in any particular region employees have been successful in their claim for fixing the age of retirement at 60 this very success is bound to raise in others in the region similar expectations. Refusal of similar relief to them is likely to create discontent. It is the endeavour of industrial adjudication to prevent this. That is why on questions of age of retirement and hours of work and other similar matters industrial tribunals attach much weight to what has been done in other industrial concerns in the neighbourhood in recent times—whether by agreement or by adjudication.”

279. It is observed by their Lordships of the Supreme Court in Civil Appeal No. 845 of 1966 in the case between the workmen of Kettlewell Bullen & Co. Ltd. and the Kettlewell Bullen & Co. Ltd., dated 12th February 1969 that efficiency of workmen does not get impaired till about 60 years. The relevant portion in respect of this observation is as follows:—

“It is now-a-days fairly well recognised that life expectation has considerably increased in recent years and the rate of mortality has fallen considerably on account of better living condition, improved medical facilities and above all the extension of educational amenities. The result is that physical efficiency of workmen generally speaking is not deteriorated till about 60 years. Consequently there has in the last decade been a general trend to raise the age of retirement. This is so also in the case of employees in Government service and in the service of quasi-government concerns. In raising the age of retirement, apart from the fact that the efficiency of workmen does not get impaired till about 60 years, consideration is also paid to the fact that his needs are likely to be larger between the age of 50 and 60 years as it is during that span of life that he has to educate his children, marry his daughters and thus incur additional financial burden over and above the burden of maintenance of his family.”

280. It will be clear from the above mentioned rulings and the trend prevailing in Bombay Region that the retirement age of the clerical and sub-ordinate staff should be 60 years.

281. Admittedly, the Company has no objection to fix retirement age of its employees working in several branches all over India at 60 w.e.f. the date the award comes into force. It, however, contends that it will have a right to ask any employee to undergo medical check-up at its cost and by a Doctor to be appointed by it after the employee reaches the age of 58. In my opinion, the Company cannot be given such a right. If such right is given, discrimination is likely to be caused.

282. If some employee becomes inefficient and does not do work, the Company can take action against the employee for his inefficiency after holding departmental enquiry, following the rules and regulations. In my opinion, it is not necessary to make any specific provision, giving right to the Company to ask any employee to undergo medical check-up at its cost and by a Doctor to be appointed by it after the employee reaches age of 58.

283. For the reasons given above, I accept Demand No. XI and fix the retirement age of the employees of the Company in all the branches all over India at 60.

Demand No. XII:—*Provident Fund*:

284. The case of the Association on behalf of the workmen in respect of this demand as made out in the Written Statement Ex. 1/W paragraphs 106 & 107 is as follows:—

"The Provident Fund Scheme existing in the Company under reference is detailed in Annexure 'B'. The Association submits that a Provident Fund Scheme as per details given below should be introduced.

PROVIDENT FUND

- (i) All permanent employees including part-time employees be made members of the Provident Fund.
- (ii) The rate of contribution should be 10 per cent of the total emoluments i.e. basic pay plus dearness allowance plus special allowances, if any, with equal contribution by the Company. The employees should however, be allowed to contribute voluntarily upto 15 per cent of their salary without corresponding contribution from the company.
- (iii) Interest at a minimum rate of $4\frac{1}{2}$ per cent should be paid on the total contribution by the employees and the company.
- (iv) Unclaimed fund should be distributed *pro-rata* every two years amongst the existing employees from time to time.
- (v) Full benefits of the Fund should be permitted to the employees on completion of $2\frac{1}{2}$ years of service.
- (vi) Loan from the Provident Fund to the extent of 6 months salary or 90 per cent of the employees' contribution whichever is less shall be granted to the employees at a time. On the Board Provident Fund Trust, the employees and the employers should have equal number of representatives. The employees' representatives should be elected by themselves by simple majority of votes. Re-election of the Employees' representatives should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.

"The present rate of contribution by the employees towards the Provident Fund existing in the Company under reference is $8\frac{1}{3}$ per cent. This is low. The Provident Fund should be on the gross emoluments and the rate should be 10 per cent. The demand is in consonance with the general opinion in the country on the subject. Under the Provident Fund Act, the contributions are made on the total emoluments. The demand for increase in contributions on the provident fund and on the total emoluments is supported by the fact that the purchasing power of money is getting reduced day by day and the Provident Fund being a retiral benefit must make adequate provision by providing substantial amount at the time of retirement. The demand is therefore just and reasonable. The changes as demanded in the scheme are also just and reasonable and the same are within the paying capacity of the company concerned. The provision with regard to the payment of the employer's contribution in full on completion of $2\frac{1}{2}$ years of service is justified on the ground that once the company parts with its contribution towards the provident fund account the same vests with the trustees and it cannot be made available to the company for its own purposes for any reason whatsoever. Similar provision exists in the provident fund schemes in other commercial establishments as well. The provision for payment of guaranteed interests at the rate of $4\frac{1}{2}$ per annum is necessary to ensure that the funds are invested on sound propositions and are not invested in institutions against the interest of the beneficiaries. Similarly the provision for distribution of unclaimed fund is necessary to ensure equitable distribution of the funds to its beneficiaries. As regards the demand for including equal representatives of the beneficiaries (Employees) on the Board of Trustees the same is justified on the ground that the beneficiaries must have their representatives to safeguard their interests. The Association further submits that

the employer should be able to persuade the trustees to introduce the above changes in the provident fund scheme. The Association however is making separate application for impleading the trustees of the provident fund in respect of company under reference as parties to these proceedings in order to avoid any technical objection on the part of the Management. In case the Trustees do not make the required changes the company may be directed to introduce a new scheme as per the above demand, and all the funds with the present Trustees should be transferred to the new Trustees under the Scheme that would be introduced by the Award.

285. The Company's case in respect of this demand as made out in the written statement Ex. 1/E on page 28 is as follows:

- “(i) No part-time employees can be admitted. A person who contributes to the Provident Fund is supposed to be a permanent employee and no body can expect the benefits of the Provident Fund from several Employers at the same time.
- “(ii) The existing rate of contribution is quite fair and equitable. This is also the general practice in the Industry. There is no reason why it should be increased to 10 per cent. There is no sanctity about 10 per cent or any other percentage. On the one hand, the employees quarrel if their “take-home” pay is reduced and on the other hand, they make such suggestions purely to extract more benefits and load the employers with additional liability. We cannot also accept the suggestion that anybody should be permitted to contribute at a rate higher than the existing rate.
- “(iii) We have already guaranteed interest of 4 per cent and considering the fact that we can invest such funds only in certain types of Security, we cannot undertake any further obligations.
- “(iv) We cannot also agree to distribute the unclaimed balance for the simple reason that Securities in which the funds are invested do depreciate and this aspect has to be always kept in view. There is no reason why the Company alone should make good the depreciation in the value of investments.
- “(v) On our own, we effected a change in the Provident Fund Rules some years back under which it was provident that the Company's contribution shall be released after completion of 5 years' service. To reduce this period still further to 2½ years would be a sheer mockery. After all, an employee has to work for a certain number of years with a particular employer to derive certain advantages. Shortening the period would also mean frequent migration of labour from one Company to another. Apart from all this, we claim credit for adopting a liberal attitude in this matter. In several cases, the Trustees have gladly paid the Company's contribution to deserving employees irrespective of the period for which they served. These instances are on record and the members of the Union are fully aware of it. In principle, the period of 5 years cannot be reduced to 2½ years.
- “(vi) As regards the suggestion that loans equal to 6 months' salary or 90 per cent of the employee's contribution whichever is less, shall be granted, we can only point out that increasing the period from 3 months to 6 months would only militate against the interests of the employees themselves. The contribution to the Provident Fund and benefits accruing therefrom, are very helpful to the employees at the time of retirement. Any suggestion which means the frittering away of such money, should not be encouraged.
- “Notwithstanding all that is stated above, it is submitted that every change in the present rules must have the prior approval of the Income-tax Authorities. Secondly, the Officers of the Company are also interested in the existing Provident Fund Scheme in force in the Company and since they are not made a party to the demand made by the Union, the matter cannot be considered at all.
- “As for the change in the Board for Trustees it is submitted that the trust is a separate legal entity and the existing Trustees not being parties to this reference, no change in the constitution or structure of Board of Trustees or rules of Provident Funds etc. can be made by the Hon'ble Tribunal.”

286. The Company's further case in respect of this demand as made out in the rejoinder Ex. 2/E, paragraph 63, page 37 is as follows :—

"Referring to paras 106 and 107 of the Statement of Claims, the Trustees of the Provident Fund and several other Officers of the Company are not a party to this reference and as such, the Hon'ble Tribunal is respectfully reminded that this could not be a matter for adjudication."

287. The Association in its replication Ex. 2/W on page 17 says :

"The contents of this para and sub-paras are also matter of arguments and need no reply.

"The contention of the Company raised in this para is not admitted.

"Para. No. 106 to para No. 107 of the Statement of Claims are reiterated.

"It is, however, denied that the Trustees or other Officers of the Company are necessary parties for introducing any amendment in the Provident Fund Scheme. However, in order to avoid any such technical objection, a separate application for impleading the Board of Trustees as a party is being made."

288. On 9th January, 1967, Shri K. S. B. Pillai, Joint Secretary of the Association on behalf of the workmen gave application dated 6th January, 1969 praying that the trustees mentioned in the application be impleaded as parties to this reference. On the receipt of this application, notices were issued to the Trustees concerned. After hearing them the same application was granted and trustees were directed to file their written statement.

289. The Trustees of the Universal Fire and General Insurance Company Ltd. Employees Provident Fund have filed written statement on 17th February, 1969. According to them, they are separate legal entity and are not employers as defined in Section 2(g) of the Industrial Disputes Act, 1947. There is no industrial dispute between them and the employees or such as would fall within the definition of 'Industrial Dispute' as defined in Section 2(k) of the Industrial Disputes Act, 1947 and there is no provision whereby any matter can be adjudicated upon by the Hon'ble Tribunal *vis-a-vis* the Trustees in a reference under Section 10 of Industrial Disputes Act, 1947. This Tribunal has no jurisdiction under law to implead the Trustees as parties to this reference or give any binding award. The employees' Provident Fund is a legal trust and has to be executed in accordance with the directions of the deed, creating the trust. In addition to the employees covered by the present reference there are a good number of other employees who are also beneficiaries of the said trust. No modification can be effected except with the consent of all the beneficiaries namely supervisory staff drawing exceeding Rs. 500/- per month, the managerial personnel, the administrative personnel, the development personnel etc. No part-time employee can be admitted to the Provident Fund. Only permanent employees can contribute to the Provident Fund. The existing rate of contribution is quite fair and equitable. The company has already granted interest of 4 per cent and considering the fact that investments can be made only in certain types of securities, there is no justification for the demand made by the Association in this respect. The investments and securities cannot be varied as desired by the Association. The Association's demand is for distributing the unclaimed balance, the same cannot be accepted because the securities in which the funds are invested do depreciate and this aspect has to be always kept in view. As per the existing rules the company's contribution shall be released after completion of 5 years. The Association's demand to reduce the period to 2½ years be not accepted. It is sheer mockery and will change the very purpose for which retirement benefit is created. As regards the suggestion that loans equal to 6 months' salary or 90 per cent of the employee's contribution whichever is less should be granted, increasing the period from 3 months to 6 months for the purpose of loan, it would only militate against the interests of all beneficiaries of the fund. This will change the very concept of retirement provision and will turn the character of the fund itself. The existing fund is approved by the Income-Tax authorities and every change in the present rules must have their prior approval. As the changes desired by the Association contravene the provisions of Income-Tax law for Recognised Provident Funds, the same should not be allowed and the Association's demand may be rejected.

290. The Trustees contention is that the dispute relating to the terms of Provident Fund is not an industrial dispute at all, that there is no dispute between the workmen and the Trustees and that on account of this, this Tribunal has no jurisdiction to entertain the reference in this respect. This contention is misconceived.

291. The real dispute between the workmen and the company is whether the modifications and changes in the existing terms of Provident Fund Rules should be made or not. It is, therefore, an industrial dispute as defined in the Industrial Disputes Act. The present dispute does not cease to be an industrial dispute even though Trustees are made parties to this reference. I am of the view that this Tribunal has jurisdiction to go into the dispute and give award regarding Association's demand if it can be given on merit.

292. In addition to the employees who are involved in this reference, there are other employees namely Supervisory staff drawing exceeding Rs. 500/- per month, the managerial personnel, the administrative personnel, the development personnel who are beneficiaries of the Trust. It is contended that without the consent of the other beneficiaries who are not party to this reference, the existing Provident Fund Scheme cannot be modified. I am unable to accept this contention. If some beneficiaries changes are affected at the instance of some employees there can be no grievance from other beneficiaries. The present employees are also interested in the benefit of other employees. Hence the contention raised by the Trustees cannot be accepted.

293. The Association contends that all permanent employees including part-time employees should be made members of the Provident Fund.

294. It is conceded that the present company does not employ any part-time employee. In fact there is no part-time employee in any branch of the company in the whole of India. Hence the question of part-time employees, becoming members of the Fund, does not arise.

295. The Association contends that the rate of contribution should be 10 per cent of the total emoluments i.e. basic pay plus dearness allowance plus special allowances, if any, with equal contribution by the Company. In support of this contentions the Association relies on the comparative statement showing the Provident Fund Scheme prevailing in various Insurance Companies produced at Ex. 15/W. Out of 7 companies including the company in question, the rate of contribution prevailing in Yorkshire Insurance and the Switzerland General is 6.1/2 per cent of the total pay per month. The rate of contribution in Ruby General Insurance is 8.1/3 per cent of the total pay per month. The rate of contribution in Commercial Union. The South British and the Norwich Union, is 10 per cent of the basic salary per month. In the company in question the rate of contribution is 8.1/3 per cent of the basic salary per month.

296. The Association has produced a comparative statement Ex. 15/W for showing the Provident Fund Scheme prevailing in various Insurance Companies. There is no uniformity regarding the rate of contribution prevailing in these companies. All other details regarding the companies mentioned in Ex. 15/W are not on record. It is not understood on what basis a particular company has fixed a particular rate of contribution. Hence the existing rate of contribution in the company in question cannot be raised simply on the basis of rate of contribution prevailing in other companies mentioned in Ex. 15/W.

297. In the Memorandum of Settlement, (in Reference No. CGIT-2/25 of 1968) between the Association and the British India General Insurance Co. Ltd. and the Zenith Assurance Co. Ltd., the company's contribution towards Provident Fund is fixed at 8.1/3 per cent of the basic salary. This compromise can be taken into consideration is considering as to whether the existing rate of contribution by the company towards the Provident Fund is reasonable or not. I am satisfied that the prevailing rate of contribution towards Provident Fund by the Company in question is quite reasonable, fair and adequate.

298. In Reference No. 1 of 1960 before the National Industrial Tribunal (Bank Disputes) at Bombay, published in the Gazette of India Extraordinary, Part II Section 3, Sub-section (ii) dated 20th June 1962, his Lordship Shri K. T. Desai has observed in para 7.24 as follows:—

".....In making my award in connection with Provident Fund, I have to bear in mind the paying capacity of the banks. Having carefully considered all aspects of the matter, I direct that the contribution to be made by workmen under this award to the Provident Fund shall be 8.1/3 per cent of the monthly pay as hereinafter defined in respect of employees of A and B classes of banks and 8.1/4 per cent of such pay for employees of C class banks including banks in the excepted list....."

299. It is also observed in para 7.24 of the Award mentioned above that under the provisions of Sastri Award as modified, the rate of subscription to the Provident Fund by workmen is 8.1/3 per cent of the monthly pay in the case of employees of A and B classes of banks and 6 1/4 per cent of the monthly pay in the case of employees of C and D classes of banks, the expression 'pay' being defined to mean basic pay, special allowance and officiating allowance, if any. The banks have to make a contribution of an equal amount.

300. Having regard to the rate of contribution allowed in the Sastry Award and Desai Award and the existing rate of contribution towards Provident Fund in the company in question. I am of the view that the existing rate of contribution of 8.1/3 per cent of the basic salary per month by the company is quite reasonable and fair. I see no reason to increase it to 10 per cent.

301. The Association's demand is that this rate of contribution should be on the total emoluments i.e. Basic Pay, dearness allowance and special allowances, if any.

302. From the statement Ex. 15/W, it appears that the Commercial Union, South British, and Norwich Union allow contribution towards Provident Fund at a particular rate on the basic salary. Dearness Allowance is not included for calculating the rate of contribution towards the Provident Fund. Even in Government institutions where there is Contributory Provident Fund the contribution is allowed only on basic salary and not on the salary including Dearness Allowance. Considering the trend in various institutions I am of the view that the rate of contribution towards Provident Fund should be calculated on the basis of basic salary only. Hence the demand of the Association i.e. the rate of contribution should be on the total emoluments cannot be accepted.

303. The Association contends that the employees should be allowed to contribute voluntarily upto 15 per cent of their salary without corresponding contribution from the Company.

304. The company contends that it cannot accept the suggestion that anybody should be permitted to contribute at a rate higher than the existing rate. This contention is vague. If the employees are allowed to contribute voluntarily, up to 15 per cent without corresponding contribution from the company, there will be no liability to the company. There should be no reason or any ground for the company to oppose this demand of the Association. If the employees want to save more by making contribution on higher rate without corresponding contribution from the company, there should be no objection to do so on any ground.

305. In the Memorandum of Settlement (in reference No. CGIT-2/25 of 1968 between the Association and the British India General Insurance Company Ltd. and the Zenith Assurance Co. Ltd. there is agreement to the effect that the workmen may be allowed to contribute 15 per cent as his own contribution towards Provident Fund, but the company will contribute 8.1/3 per cent of the basic salary. Taking this instance into consideration I accept the demand of the Association that the employees should be allowed to contribute 15 per cent of their salary without corresponding contribution from the company.

306. The Association contends that interest at a minimum of 4 1/2 per cent should be paid on the total contribution by the employees and the company.

307. The company contends that it has already guaranteed interest of 4 per cent and considering the fact that it can invest such funds only in certain types of Security, it cannot undertake any further obligations.

308. In the statement Ex. 15/W, showing the Provident Fund Schemes prevailing in various Insurance companies, it has not shown at what rate interest is allowed on the total contribution of the employees and the company in each case.

309. In the Memorandum of Settlement (In Reference No. CGIT-2/25 of 1968) between the Association and the British India General Insurance Co. Ltd. and the Zenith Assurance Co. Ltd. there is a clause which says that a minimum interest of 3 per cent shall be paid, but if more interest is earned, it will accrue to the benefit of the Provident Fund Account. Taking this fact into consideration and having regard to the fact that the rate of interest allowed by other Insurance Companies is not on record, I am of the view that the guaranteed interest of 4 per cent on the total contribution by the employees and the company existing in the company in question is quite fair, reasonable and adequate.

I do not see any reason to increase the interest to 4 1/2 per cent. Moreover, as the company in question has to invest the amount of Provident Fund in particular security and it cannot take risk of investing this amount in other securities yielding more income, it is not desirable that the company should be saddled with more liability by increasing the rate of interest on the total contribution by the employees and the company. Hence the demand of the Association in this respect fails.

310. The Association contends that the unclaimed fund should be distributed pro-rata every two years amongst the existing employees from time to time.

311. The Company in question says it cannot agree to distribute the unclaimed balance for the simple reason that the securities in which the funds are invested to depreciate and this aspect has to be always kept in view, and that it cannot make good the depreciation in the value of investments.

312. The Association has not produced any evidence worth the name to show that there is a practice in other Insurance Companies to distribute the unclaimed fund every two years amongst the existing employees from time to time. In the absence of any evidence in this respect, the Association's demand is difficult to accept. The company has good and valid reason to show as to why it opposes this demand.

313. The Association demands that full benefits of the fund should be permitted to the employees on completion of 2 1/2 years of service, but the company opposes this saying that the existing rules of Provident Fund provided that the company's contribution shall be released after completion of 5 years service, and that to reduce this period still further to 2 1/2 years would be sheer mockery.

314. The Association has not adduced any evidence worth the name to show that there are Insurance Companies in which this period is 2 1/2 years and not 5 years. In the absence of such evidence it is difficult to accept the demand of the Association.

315. The Association's demand is that loan from the Provident Fund to the extent of six months salary or 90 per cent of the employees' contribution which ever is less shall be granted to the employees at a time.

316. The company contends that increasing the period from 3 months to 6 months would only militate against the interests of the employees themselves.

317. The Provident Fund amount belongs to employees, which is meant for their benefit. If in case of emergency or extraordinary circumstances they are not allowed to make use of their Provident Fund money, there will be no inducement for them to save money in the Provident Fund. If they cannot make use of their own money, they will feel dissatisfied. In my opinion if the period of 3 months is changed to 6 months as claimed by the Association, there will not be any harm. The employees will take recourse to obtain loan from the Provident Fund account only in case of emergency. Ordinarily they would not like to take loan from the Provident Fund Account. I, therefore, accept the demand of the Association in this respect.

318. The Association's next demand is that on the Board of Provident Fund Trust, the employees and the employers should have equal number of representatives. The employees' representatives should be elected by themselves by simple majority of votes. Re-election of the employees' representatives should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.

319. The Trustees contend that as the changes desired by the Association contravene the provisions of Income Tax law for Recognised Provident Funds, the same should not be allowed and that every change in the present rules should have the prior approval of the Income Tax authorities.

320. The changes to be made in the Provident Fund Rules can be directed to be made subject to the approval of the Income-Tax authorities. If the Income-tax authorities give their approval there should be no objection in effecting the changes. The contention of the Trustees that no changes can be effected in the present rules of the Provident Fund cannot be accepted.

321. While framing the rules of the Provident Fund, in the Sastry Award there is specific direction that the fund shall be administered by a Board of

Trustees on which the workmen also should have representation to the extent of 1/4th of the total strength of the Board.

322. The learned Advocate Shri Kothari, for the Company, concedes in his argument that some Tribunals have recommended that employees should be the representatives on the Board of Provident Fund Trust.

323. Having regard to the directions given in Sastry Award, I am of the view that the Association's demand that on the Board of Provident Fund Trust the employees and the employer should have equal number of representatives does not appear to be unreasonable and out of way. In my opinion this demand deserves to be accepted.

324. The Association has suggested that as to how the employees representatives should be elected. It is suggested that they should be elected by themselves by simple majority of votes and re-election of the employees representatives should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees. This procedure of the election suggested by the Association appears to be proper and just and the same may be followed for electing the representatives.

325. From the contention raised by the Company and the Trustees it appears that no change in the rules of the existing Provident Fund can be made without the prior approval of the Income-Tax authorities. I, therefore, direct that the changes suggested by me would be subject to the approval of the Income-Tax authorities.

326. In the end I pass the following order:—

ORDER

- (i) The employees should be allowed to contribute voluntarily in excess of 8-1/3 per cent of the basic salary upto 15 per cent of their salary without corresponding contribution from the company. The company would contribute only 8-1/3 per cent of the basic salary.
- (ii) The loan from the Provident Fund to the extent of 6 months' salary or 90 per cent of the employees contribution whichever is less shall be granted to the employees at a time.
- (iii) On the Board of Provident Fund Trust the Employer and the Employees should have equal number of representatives. The employees representatives should be elected by themselves by simple majority of votes. Re-election of the employees' representatives should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.
- (iv) The remaining provisions of the Provident Fund Scheme are to remain intact.

NOTE: Amendments suggested above are subject to the approval by the Income-tax authorities. After necessary approval is obtained, the Provident Fund Rules be accordingly amended.

Demand No. XIII: Leave:

327. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraphs 108 & 109 is as follows:—

"The leave rules as are in existence in the company under reference are detailed in Annexure 'B'. The Association submits that the following leave rules may be introduced.

Casual Leave:

15 days casual leave should be given in a calendar year. 6 days casual leave may be granted at a stretch. Casual leave may be prefixed and suffixed to holidays and Sundays.

Privilege (Earned) Leave:

Privilege leave should be allowed to all employees at the rate of one day for every eleven calendar days. Employees should be allowed to accumulate leave upto 6 months. Return fare to the employees his wife and dependents should be granted once in 2 years for going anywhere in India. Privilege leave should be allowed to be encashed in the event of an employee ceasing to be a member of the staff.

Sick Leave:

Thirty days sick leave per year should be allowed on full pay to the employees with a maximum accumulation of 12 months during the service period.

In case of prolonged illness further sick leave with half pay should be allowed upto 6 months and another 6 months without pay.

Maternity Leave:

Maternity leave upto the period of three months shall be allowed to all female employees.

Examination Leave:

Employees shall be allowed adequate leave for appearing in all the recognised examinations in addition to all other leave.

Special Leave:

Adequate leave shall be allowed to the Union Representatives and Office Bearers of the All India Insurance Employees' Association and/or its affiliated units to enable them to attend meetings and conference of the Unions and their Central Organisations and to participate in the Tribunals and Conciliation Proceedings.

Furlough Leave:

Employees on retirement shall be granted six months leave as Leave preparatory to retirement' or in lieu thereof six months' total salary should be paid.

"The demand for the amendment of the leave rules, so as to make the above provisions, is in accordance with the leave rules prevailing in other general insurance companies Life Insurance Corporation of India and under the Bank Award. Kindred leave rules are also prevailing in other commercial establishments as well. There is therefore no reason as to why this company should not make similar leave rules. The demand is fully justified and the Workmen are entitled for the same."

128. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 29 is as follows:—

"The employer submits that the existing leave and holiday provisions are more liberal than not only statutory provisions under the Shops and Establishments laws but also as compared to other concerns. These concessions have affected the productivity of the employees and any further liberalisation would only aggravate the already low productivity. It is further submitted that the leave and holiday provisions should be curtailed so as to ensure fair productivity.

"*Casual Leave.*—At present we grant 10 days' Casual Leave. Let it be remembered that Casual leave is meant only for emergent occasions and is not to be treated as a matter of right and something which must be consumed within a period of one year. We cannot also treat the matter in isolation. The over-all effect of various types of leave has to be considered and secondly the general practice in the Industry must be taken into account. The demand that casual leave should be granted for as many as 6 days at a stretch or in effect 8 days, is simply fantastic. We are mentioning this because it is suggested that the person concerned must have a right to remain absent for 8 days by prefixing and suffixing such days to holidays and Sundays. One is simply surprised at the suggestion that the type of leave as demanded by the Union, should be called "Casual".

"*Privilege Leave.*—We are today granting 30 days leave per year. The employee is also allowed to accumulate it up to 100 days. This is very fair and equitable having regard to conditions generally prevailing in the Industry. We may also repeat that all such demands for various types of leave must be viewed in their totality and not in isolation. The question arises as to what exactly are the intentions of those who make such demands. After all is said and done, if people want to earn their living, they have to work for a certain period and they cannot go on demanding that more and more leave should be allowed to

accumulate in future. The agreement of 1962 which was in itself an improvement of the previous Agreement cannot get out-of-date within such a short date. Besides, there has got to be a broad understanding in such matters as to what is reasonable or feasible. No reasonable person can agree that every 2 years, the need for more and more leave can arise or is justified.

"Return Fare.—The demand for payment of return fare not only to the employee but also to his wife and dependents, is most unusual and unjustified. The employees have no right to claim such amounts. People travel either to fulfil social obligations or for visiting other places for purposes of sight-seeing. We do not see where the Employer comes into the picture at all. If you want to fulfil your social obligations or go sight-seeing, obviously the sensible thing to do is to undertake such journeys when you are in a position to pay for same. If a person is sent Overseas, some such suggestion may be justified. But how can this hold good within the country itself? The demand is absolutely fantastic and unwarranted. There is no trend in the industry to pay such a return fare. But even if it is so, it must be a stray case; an exception to the rule and that is all.

"Encashment of Leave.—The demand for encashment of leave cannot be considered. Encashment defeats the very object of leave. Everybody who has some leave to his credit prior to retirement, is granted leave by the Company prior to retirement. If the demand for encashment were conceded, every one would try to accumulate leave and then try to cash it even if he resigns or should death occur. Employees are permitted to accumulate leave upto a certain extent in order to enable them to take rest after certain intervals. If anybody wants to leave the Company's services for reasons best known to him, he is welcome to do so but that does not mean that the Company should be called upon to pay a special price for it. No one can eat his cake and have it. A person who wants to leave his old employment to improve his prospects, cannot simultaneously expect extra benefits for so doing.

"It may also be noted that though leave could be granted at the discretion and convenience of the Management, we are very liberal in the granting of such leave. Normally, we do not refuse a request for such leave when reasonable notice has been given in this regard.

"It is clear, therefore, that there is no justification whatsoever for the demand made by the Union either in respect of revision of the existing practice or the fresh demands put in.

"It is most amusing that an agreement arrived at only some time back, gets out-dated from the stand point of the Union so soon. Every time an effort is made to extract more and more leave without giving any heed to the burdens that it imposes on the Company.

"At present we allow 15 days' sick leave per year with accumulation upto 120 days. No change is warranted either in the number of days per year or in the quantum of accumulation. While the Company would have all the sympathy for an employee if he is sick for a fairly long period, it has to be remembered that if any employee is away on very long leave, the Company has to employ other persons and under existing rules the Union would insist on such persons being also confirmed in the services of the Company. While the Management may consider any deserving case on merits, we cannot in principle, agree to any change in the existing practice. In order to ensure that the facility of Sick leave is not abused, the Company must have the right to insist on a periodical examination of the employee (as often as necessary) by a Medical man at its own cost. We are emphasising this because persons would be inclined to abuse this facility particularly when they are about to leave the Company's services or when they are about to retire. The Company does not mind granting Sick Leave to persons who are really sick but it must have a right to ascertain the true position.

"Maternity Leave.—The Company is granting such leave upto a maximum of 180 days from the Sick Leave and such leave is being granted in advance in case where the Sick Leave to the credit of a Lady employee is less subject to the condition that the leave then granted will be adjusted against her leave accumulation. No extra maternity leave is justified.

"Examination Leave.—The demand is unjustified. With our limited staff, we cannot grant any type of examination leave. At best, the Company may consider granting of such leave for a reasonable period provided the employee has sufficient privilege leave to his credit or on loss pay. It must be clarified, however, that such leave can be granted only at the discretion of the Company and subject to the exigencies of the business. There is also every possibility of the facility claimed for, being abused very often.

"Special Leave.—Some time back, we had granted such leave to a Member of the Staff as a special case. We regret that we cannot agree in principle to grant any such leave as a matter of right.

"Furlough Leave.—We consider the demand to be absolutely fantastic and as such, we are not offering any comments. What the Union, in fact, is demanding is Gratuity for an additional period of six months. For this there is no justification.

"While on the subject, we would like to point out that in addition to the leave under various heads viz. Privilege, Casual and Sick, employees are enjoying ample leave on the whole. The Hon'ble Tribunal must consider also the following:—

"In addition to Sundays, there are holidays declared by the State Government or the Central Government. Then there are Saturdays and also Sectional holidays. Our Company is granting a larger number of Sectional holidays than any other Insurance Company operating in Bombay. In a Secular State, there is no justification for such Sectional holidays because the practice is essentially discriminatory. And to deny such Sectional Holidays to certain members of the staff on the ground of religion is not correct. A sectional holiday is an anachronism under the conditions of today and in future, there should be no sectional holidays. More and more leave means less and less work and this means correspondingly greater burden for the Employers. After all, there has got to be a limit where we must stop and there is no scope for accepting any of the demands made by the Union under the heading "LEAVE".

329. The Company's further case in respect of this demand as made out in the rejoinder Ex. 2/E, para. 64, page 37 is as follows:—

"With regard to paras 108 and 109 of the statement of Claims, we have offered our observations in the Written Statement and we have no further comments to offer."

330. The Association in its replication Ex. 2/W, on page 17 says:—

"The contents of sub-paras under the heading 'Leave' need no reply. Para. No. 108 to para No. 109 of the Statement of Claims are reiterated."

331. The Association has produced a comparative statement showing Privilege Leave, Encashment Leave, Casual Leave, Sick Leave, Maternity Leave and Special Leave Prevailing in various General Insurance Companies at Ex. 12/W. It is as follows:—

| Name of the Insurance Co | Privilege Leave | Encashment Leave | Casual Leave | Sick leave | Maternity Leave | Special leave for attending Trade Union Conference. |
|--|--|--|--------------------|--|-----------------|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| (1) Jupiter General Insurance Co. Ltd. | 30 days in a year and 180 days accumulation. | 15 days on 1st occasion of proceeding on leave, 22 days on 2nd occasion of proceeding on leave & 30 days on 3rd occasion of proceeding on leave. | 15 days in a year. | 1 month in a year, 12 months accumulation. | 6 weeks. | Actual days of meeting plus days of travel in a year. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|--|--------------------------------------|--------------------|--|-----------|--|
| (2) South India Insurance Co. Ltd. | 30 days in a year & 100 days accumulation. | 30 days minimum and 60 days maximum. | 12 days in a year | 1 month in a year and 240 days accumulation. | 12 weeks | Actual days of meeting plus days of travel in a car. |
| (3) India Reinsurance Corporation Ltd. | 30 days in a year & 100 days accumulation. | 15 days minimum | 12 days in a year | 1 month in a year & 6 months accumulation. | 3 months. | Do. |
| (4) New Great Insurance | 30 days in a year & 90 days accumulation. | 30 days maximum | 10 days in a year. | 15 days in a year & 100 days accumulation. | 12 weeks | Nil. |
| (5) Jaybharat Insurance Co. Ltd. | 30 days in a year & 100 days accumulation. | Nil. | 10 days in a year. | 30 days in a year & 6 months accumulation. | Nil. | Do. |
| (6) Indian Trade & General Insurance Co. Ltd. | 30 days in a year and 90 days accumulation. | Nil. | 12 days in a year. | 30 days in a year and 180 days accumulation. | 6 weeks | Do. |
| (7) Oriental Fire & Gen. Insurance Co. Ltd. | 30 days in a year and 180 days accumulation. | Nil. | 15 days in a year. | 30 days in a year & 16 months accumulation. | 12 weeks | Do. |
| (8) Concord of India Insurance Co. Ltd. | 30 days in a year and 60 days accumulation. | Nil. | 10 days in a year. | 1 month in a year & 12 months mx. on full pay, 6 months on half pay and 12 months without pay. | 2 months. | Nil. |
| ** (9) Home Insurance Co. | 30 days in a year 60 days accumulation. | Nil. | 10 days in a year. | 30 days in a year & 120 days accumulation. | Nil. | Nil. |
| (10) Universal Fire & General Insurance Co. Ltd. | 30 days in a year, 100 days accumulation. | Nil. | 10 days in a year. | 15 days in a year & 120 days accumulation. | 180 days | Nil. |

**The dispute regarding scales, dearness allowance etc. is at present pending in Adjudication. The employees are getting interim relief equivalent to 15% on the gross earning.

332. *Casual Leave*.—It appears from the Memorandum of Settlement, Annexure 'B' to the written statement Ex. 1/W that the present rule regarding Casual Leave in the Company is as follows:—

"Casual Leave not exceeding ten days per year shall be granted with a maximum 3 days at any one time. Prefixing or suffixing to Holiday and Sundays shall be allowed."

333. The Association demands that 15 days casual leave should be given in a calendar year.—6 days casual leave may be granted at a stretch. Casual leave may be prefixed and suffixed to holidays and Sundays.

334. On perusal of the statement Ex. 12/W referred to above, it is clear that out of 10 companies including the company in question, 5 companies allow 10 days Casual Leave in a year. 2 companies namely Jupiter General Insurance Co. Ltd., and Oriental Fire and General Insurance Co. Ltd., allow 15 days casual leave in a year. The remaining 3 companies allow 12 days casual leave in a year. It is clear that majority of the companies out of 10 companies including the one in question allow only 10 days Casual Leave in a year.

335. In a Settlement dated 14th August, 1969, between the Association and the British India General Insurance Co. Ltd., and the Zenith Assurance Co. Ltd. (Reference No. UGIT-2/25 of 1968), the Association agreed that a workman shall be allowed 10 days casual leave per calendar year to meet casual and unforeseen circumstances. Taking this fact into consideration and having regard to the fact that majority of the Insurance Companies are allowing 10 days casual leave in a year, I do not find any justification for allowing 15 days casual leave in a calendar year. Hence the demand of the Association in this respect has to be rejected.

336. The Association further contends that 6 days casual leave may be granted at a stretch. Casual leave may be prefixed and suffixed to holidays and Sundays. The Association has not pointed out any instance in other Insurance Companies allowing 6 days casual leave at a stretch. I am not satisfied with their demand that 6 days casual leave be granted at a stretch. It must be remembered that casual leave is to be availed of only in emergency circumstances. In the company in question the practice is to allow casual leave 3 days at a time prefixing or suffixing to holidays and Sundays. It has not pointed out that this present practice of allowing 3 days casual leave at a time with permission to prefix or suffix to holidays and Sundays has caused any hardship to the workmen in any way and that more liberalisation in this case is necessary. The result is that the present system of granting 10 days casual leave in a year and allowing 3 days at a time with permission to prefix or suffix to holidays and Sunday will continue.

337. **Privilege (Earned) Leave.**—As regards privilege (earned) leave, the existing practice in the company in question as is clear from Annexure 'B' to the written statement Ex. 1/W is as follows:—

"Each employee of the Company shall be entitled to privilege leave of 30 days per year of service with a right of accumulation upto 100 days."

338. The Association demands that privilege leave should be allowed to all employees at the rate of one day for every eleven calendar days and this leave should be allowed to be accumulated upto 6 months.

339. From the Ex. 12/W referred to above, it is clear that all the companies including the company in question allow 30 days privilege leave in a year. The Association has not pointed out any special reason as to why it should be allowed privilege leave to all employees at the rate of one day for every eleven calendar days, i.e., 33 days in a year. There is no instance in other companies referred to in Ex. 12/W of allowing 33 days leave in a year. I do not find any justification for allowing 33 days privilege leave to the employees in question. Hence the demand of the Association in this respect fails.

340. The Association contends that accumulation of privilege leave should be allowed upto a period of 6 months, i.e., about 180 days. Out of the 10 companies including the company in question referred to in Ex. 12/W, only 2 companies namely Jupiter General Insurance Co. Ltd., and Oriental Fire and General Insurance Co. Ltd., allow accumulation of 180 days privilege leave. 3 Companies namely South India Insurance Co. Ltd., India Re-insurance Corporation Ltd., Jaybharat Insurance Co. Ltd., allow accumulation of privilege leave upto 100 days similar to the company in question. New Great Insurance Co. Ltd., and Indian Trade and General Insurance Co. Ltd., allow 90 days accumulation of privilege leave while Concord of India Insurance Co. Ltd., allows 60 days accumulation in a year. As majority of the companies referred to in Ex. 12/W allow accumulation of privilege leave upto 100 days, there is no justification for allowing 180 days accumulation of privilege leave by the company in question. The present system of allowing accumulation of 100 days privilege leave appears to be satisfactory. These appears to be no reason for changing the same. Hence the demand of the Association in this respect fails. The result is that the present system of allowing 30 days privilege leave and accumulation of 100 days is to continue.

341. The Association's further demand is that return fare to the employees, his wife and dependents should be granted once in two years for going anywhere in India.

342. The company's contention is that the demand for payment of return fare not only to the employee but also to his wife and dependents is most unusual and unjustified and that the employees have no right to claim such amounts.

343. From the statement Ex. 12/W referred to above, it is clear that no company out of the 10 Insurance Companies including the company in question allows this concession claimed by the Association. Such concession was also claimed before the Industrial Tribunal presided over by Shri Salim. M. Merchant in Reference No. CGIT-9 of 1964, in respect of the dispute between the Hercules Insurance Co. Ltd., Bombay and their workmen but the Tribunal disallowed this concession. There is also no provision regarding this concession in the Settlement made by this Association recently with the British India General Insurance Co. Ltd., and the Zenith Assurance Co. Ltd. (Reference No. CGIT-2/25 of 1968). In view of this fact I think that the demand of the Association in respect of this concession referred to above, does not appear to be reasonable and proper. The same deserves to be rejected.

344. The Association's further demand is that the Privilege Leave should be allowed to be encashed in the event of an employee ceasing to be a member of the staff.

345. From the Statement Ex. 12/W referred to above, it appears that 4 companies out of 10 referred to above allow encashment of leave.

346. The demand for encashment of privilege leave was also made in the dispute between the Hercules Insurance Co Ltd., and their workmen in reference No. CGIT-9 of 1964, referred to above but the same was rejected by the Tribunal on the ground that privilege leave was meant for rest and recuperation. The demand for encashment of privilege leave was also rejected by the Sastry Award on the ground that leave was intended for rest and recuperation.

347. As the privilege leave is meant for rest and recuperation I am of the view that the employees should not be allowed to encash their privilege leave but on the contrary every efforts should be made to encourage the employees to avail of privilege leave regularly.

348. As I am of the view that there should not be encashment of privilege leave, the demand of the Association that Privilege Leave should be allowed to be encashed in the event of an employee ceasing to be a member of the staff, cannot be granted.

349. *Sick Leave.*—The present rule regarding sick leave in the company as given in Annexure 'B' to the written statement at Ex. 1/W is as follows:—

"Sick leave will be granted to each employee with full pay and allowance at the rate of 15 days per year with a right of accumulation upto 120 days. Where the period of absence exceeds three days, a medical certificate will have to be produced."

350. The Association's demand in respect of sick leave is that 30 days sick leave per year should be allowed on full pay to the employees with a maximum accumulation of twelve months. In case of prolonged illness further sick leave with half pay should be allowed upto six more months and another six months without pay.

351. Out of the 10 companies including the company in question, 8 companies allow sick leave of one month or 30 days in a year. It is only in New Great Insurance Company Limited which allows 15 days sick leave in a year similar to the one allowed by the company in question, i.e., Universal Fire and General Insurance Company Ltd.

352. As majority of the companies referred to above are allowing 30 days sick leave in a year to their employees, it is just and fair that the company in question should also allow 30 days sick leave to its employees, in a year.

353. As regards accumulation of sick leave it appears from the statement at Ex. 12/W that Oriental Fire and General Insurance Co. Ltd., allows accumulation upto 18 months. Jupiter General Insurance Co. Ltd., and Concord of India Insurance Co. Ltd., allow 12 months accumulation, South India Insurance Co. Ltd., allows 240 days accumulation, India Reinsurance Corporation Ltd.,

Jaybharat Insurance Co. Ltd., Indian Trade and General Insurance Co. Ltd., allow accumulation of sick leave for 6 months, New Great Insurance Co. Ltd., allows accumulation of sick leave for 100 days while Home Insurance Co. and the Company in question allow accumulation of sick leave upto 120 days. It appears there is no uniformity in accumulation of sick leave in various companies referred to above. It varies from 100 days to 16 months.

354. Considering the facts and circumstances of the case I am of the view that accumulation of sick leave for 120 days allowed by the company should continue. The Association's demand in this respect therefore fails.

355. The Association's further demand is that in case of prolonged illness further sick leave with half pay should be allowed upto six months and another six months without pay. The demand of the Association appears to be excessive. Out of the 10 companies referred to in Ex. 12/W only one company, i.e., Concord of India Insurance Co. Ltd., allows sick leave for 6 months on half pay and 12 months without pay. There is no such provision in respect of any other company including the company in question. The company in question and the General Insurance Employees' Union (affiliate of the Association) entered into a settlement on 15th September, 1962 (vide Annexure 'B' to Ex. 1/W). At that time no provision for half pay, sick leave and six months leave without pay has been made. It appears to me that this demand of the Association in this respect is not reasonable and justified. I am unable to accept the same.

356. *Maternity Leave.*—The present system regarding maternity leave given in the Settlement Annexure 'B' to the Ex. 1/W is as follows:—

"Lady members of the staff will be allowed maternity leave upto a maximum of 180 days from her sick leave and such leave will be granted in advance in case where the sick leave to the credit of the employee is less subject to the condition that the leave then granted will be adjusted against her future leave accumulation."

357. The Association's demand in respect of the Maternity Leave is that Maternity Leave upto the period of three months shall be allowed to all female employees.

358. From the statement Ex. 12/W referred to above, it is clear that out of 10 companies, 2 companies namely Jaybharat Insurance Co. Ltd., and Home Insurance Co. make no provision for allowing Maternity leave to female employees. The South India Insurance Co. Ltd., India Reinsurance Corporation Ltd., New Great Insurance Co. Ltd., Oriental Fire and General Insurance Co. Ltd., allow 12 weeks or 3 months Maternity leave to female employees. Jupiter General Insurance Co. Ltd., Indian Trade and General Insurance Co. Ltd., allow Maternity leave to female employees for 6 weeks while Concord of India Insurance Co. Ltd., allows 2 months Maternity Leave to female employees. The company in question, i.e., Universal Fire and General Insurance Co. Ltd., allows 180 days out of the sick leave to female employees as Maternity leave. It does not allow Maternity Leave in addition to sick leave to which the employees are entitled.

359. It appears that there is no uniformity in allowing maternity leave in all the companies but in my opinion it is absolutely necessary that female employees should be allowed Maternity Leave in addition to the sick leave to which the other employees male or female are entitled. Female employees will also fall ill. They will be required to take sick leave. If the sick leave is exhausted during the period of their confinement, they will have no sick leave to their credit. It, therefore, appears to me that the present system prevailing in the company of allowing Maternity Leave for 180 days out of the sick leave to the credit of the female employees does not appear to be fair and just. This system causes great hardship and injustice to the female employees. It is absolutely necessary that they should be given Maternity Leave for a period of 3 months in addition to the sick leave.

360. In case of Maternity leave it is necessary that out of 12 weeks 6 weeks leave before confinement and 6 weeks leave after confinement should be given. For the reasons given above I accept the demand of the Association in respect of Maternity leave and pass the following order:—

ORDER

Maternity leave upto a period of 3 months, i.e., 12 weeks shall be given to all female employees. Out of 12 weeks Maternity leave, 6 weeks leave to be given before confinement and 6 weeks after confinement.

361. *Examination Leave.*—The Association's demand is that the employees shall be allowed adequate leave for appearing in all the recognised examinations in addition to all other leave.

362. The company contends that the Association's demand for allowing examination leave to all employees is unjustified and that at best, the company may consider granting of such leave for a reasonable period provided the employees have sufficient privilege leave to their credit or on less pay.

363. No company referred to in Ex. 12/W has got specific rule for allowing leave to the employees for appearing for examination. It, however, appears that the Tribunal has allowed such leave to the employees in Reference No. CGIT-9 of 1964 by the Presiding Officer, Central Government Industrial Tribunal, Bombay in the case between Hercules Insurance Co. Ltd., Bombay and their workmen, published in the Government of India Gazette, dated 17th July, 1965, Part II, Sec. 3(ii), pages 2442 to 2468. In para. 59 of the Award the Tribunal has observed as follows:—

"The demand is that employees should be allowed adequate leave for appearing in any of the recognised examinations and this leave should be in addition to all other leaves. The Union has argued that the acquiring of higher qualifications adds to the efficiency of the employee and that most of the Insurance companies encourage their employees by granting necessary leave facilities to appear for recognised examinations. The Union's statement, Exhibit W. 3, however, does not show that there is any such practice in the industry. The Union has not in its demand specified the quantum of such leave. I think there is justification in the Company's contention that the workmen could avail themselves of all casual leave to appear for their examinations. But if the examinations are for higher qualification in the Insurance Business, then an exception should be made and special casual leave with pay for the actual days of such examination should be granted. I, therefore make an award in terms stated above."

364. It also appears from the Settlement between the present Association and the British India General Insurance Co. Ltd., and the Zenith Assurance Co. Ltd., Bombay (Reference No. CGIT-2/25 of 1968) that special provision in the compromise for examination leave as mentioned below has been made:—

"Study leave and leave for sitting for the examinations conducted by the Federation of Insurance Institutes, Bombay, and/or the Chartered Insurance Institute London, special leave for 10 working days shall be granted, provided the workmen successfully pass such examinations. The workmen availing of this special study leave for the Insurance examinations, must appear for such examinations. Those who sit for the examinations and fail, in such case, only 5 working days' special study leave shall be granted and the balance of 5 working days shall be debited to the casual leave or, if the casual leave is exhausted, then to the privilege leave. Those workmen who avail of 10 working days study and sitting for examination leave for the Insurance examinations, but do not sit for such Insurance examinations, for whatever reason, then 10 working days' special study and sitting for examination leave shall be debited to the casual leave or, if the casual leave is exhausted, then to the privilege leave."

365. Having regard to the extent regarding examination leave in respect of Hercules Insurance Company Ltd., Bombay and the British India General Insurance Co. Ltd., and the Zenith Assurance Co. Ltd., Bombay and the fact that acquiring higher qualification relating to Insurance Business adds to the efficiency of the employees, I am of the view that examination leave should be allowed to the employees in addition to other normal leaves

366. The Association has not claimed specific number of days of leave. But it only demands adequate leave for appearing in all the recognised examinations. I am, therefore, of the view that special leave with pay for actual days of Insurance Examination should be allowed. I, therefore, pass the following order:—

ORDER

Special Casual leave with pay for the actual days of examination should be allowed to the employees, who appear for the recognised Insurance business examination.

367. *Special Leave.*—The demand of the Association is that adequate leave shall be allowed to the Union representatives and Office Bearers of the All India Insurance Employees' Association and or its affiliated units to enable them to attend meetings and conferences of the Unions and their Central Organisation and to participate in the Tribunals and Conciliation proceedings.

368. In support of this demand the Association relies on the Statement at Ex. 12/W referred to above. Out of the 10 companies in the Ex.12/W, 6 companies allow special leave for attending trade union conferences. They allow actual days of meeting plus days of travel in a year. The New Great Insurance Co. Ltd., Concord of India Insurance Co. Ltd., Home Insurance Co. and the company in question do not allow any leave for attending trade union conferences.

369. The National Industrial Tribunal (Bank Disputes) at Bombay in Reference No. 1 of 1960 in para 9.20 of its award observed and directed as follows:—

"Having regard to the fact that workmen in the banking Industry have been organized on an all-India basis and there are all India organisations to which various Unions of workmen employed in banks have been affiliated. I consider it in the interests of the industry that special casual leave should be granted to the office-bearers and Executive Committee members of the organisations hereinafter mentioned in order to enable them to attend meetings and conferences. I accordingly direct that the office bearers and the Executive Committee members of the All India Bank Employees Association, the All India Bank Employees Federation and the All India State Bank of India Staff Federation who are workmen employed in banks governed by the award should be given by the respective Banks special casual leave upto 7 days in a calendar year for the purpose of attending meetings and conferences of their respective organisations. The State Bank of India and some other banks are giving special leave to office bearers and committee members of various unions. It is not intended by this award that these facilities when they are in excess of what is hereby provided should in any way be discontinued or curtailed. In this award, having regard to the limited quantity of evidence available on the subject facilities only of a limited nature have been directed to be provided."

370. In the Settlement between the All India Insurance Employees' Association and the British India General Insurance Co. Ltd., and the Zenith Assurance Co. Ltd. (Reference No. CGIT-2/25 of 1968), there is provision for special leave as mentioned below:—

"Leave under this heading shall be granted only to those workmen, who are selected as delegates by the All India Insurance Employees' Association, or its affiliated Bodies. This leave shall be granted for the actual number of days taken for travelling from the place where the workmen works, to the place where the Conference of the All India Insurance Employees' Association, or its affiliated Bodies, is to be held, and for the return journey, plus 3 days or the actual number of days of Conference, whichever is less.

"Such Special Leave shall be granted only once in a year. The number of persons to be granted such leave shall not be more than 2 at the Head Office, and not more than one at each of the other offices, where the total number of workmen employed is not less than 5."

371. The Company in question has got offices all over India. Many of its employees are members of the All India Insurance Employees' Association or its affiliated body. It is in the interest of the Insurance Industry that special leave should be granted to those employees who are selected as delegates by the All India Insurance Employees' Association or its affiliated body for attending conferences once in a year.

372. The company in question had granted special leave to the members of staff as a special case sometime back but it says that it cannot agree in principle to grant any such leave as a matter of right. In my opinion, this contention cannot be accepted.

373. There is a trend in the Insurance Industry to allow such leave to the employees for attending conferences. This is clear from the Ex. 12/W referred to

above. Even his Lordship Shri Justice K. T. Desai allowed such leave as mentioned in para. 9.26 of the Award referred to above. In my opinion the demand made by the Association in this respect is fair, reasonable and appropriate.

374. The Association further contends that special leave should be granted to participate in the Tribunals and Conciliation proceedings. Such demand was also made before the Central Government Industrial Tribunal Bombay in Reference No. CGIT-9 of 1964 in the case between the Hercules Insurance Company Ltd., Bombay and their workmen. In this connection the Tribunal observed in its award in Para. 61 as follows:—

“The Union has also demanded that the management should grant special leave to enable its employees to attend proceedings before the Conciliation Officer and the Industrial Tribunal to enable them to participate in those proceedings. Shri Joshi in opposing the demand has relied upon the decision of the Hon'ble Supreme Court in the case of Rohta's Sugar Ltd., and others and Mazdoor Seva Sangh & others (1960-I, LLJ, page 567) in which case the Hon'ble Supreme Court following its earlier pronouncements in the case of the Punjab National Bank's case (1957 I LLJ, p. 455) turned down the Industrial Tribunal's direction that the workmen attending the proceedings before the Industrial Tribunal should be treated as a special leave with pay for the period of such attendance. The objection of Shri Joshi must, therefore, be upheld. But I do trust that this Company will give all the necessary facilities to its Unions to attend proceedings before the Conciliation Officer and Industrial Tribunals as this would, in my opinion hold the maintenance of good industrial relations between the employers and their workmen. But the workmen must not understand that they can claim this as of right.”

375. Considering the facts and the circumstances of this case and having regard to the decision of the Supreme Court, I am of the view that this demand of the Union that special leave for attending Tribunal and conciliation proceedings cannot be granted. The company will however, give them full facilities for attending the same in its discretion with a view to maintain good relations, industrial peace and harmony.

376. Next point for consideration is how many days leave should be granted. In my opinion special leave should be for actual number of days taken for travelling from the place where the workman works to the place where the conference of the All India Insurance Employees' Association or its affiliates is to be held, and for the return journey plus the actual number of days of conference. Such leave should be granted once in a year. The number of persons to be granted such leave shall not be more than 2 at the Head Office and not more than one at each of the other offices, where the total number of workmen employed is not less than 5.

377. In view of the above findings, I accept the demand of the Association and pass the following order:

ORDER

Special leave shall be granted only to those workmen who are selected as delegates by the All India Insurance Employees' Association or its affiliated Bodies. This leave shall be granted for the actual number of days taken for travelling from the place where the workman works to the place where the Conference of the All India Insurance Employees' Association, or its affiliated Bodies, is to be held and for the return journey plus actual number of days of Conference. This leave shall be granted once in a year. Number of persons to whom this leave shall be granted shall not be more than 2 at the Head Office and not more than one at each of the other offices, where the total number of workmen employed is not less than 5.

378. *Furlough Leave.*—The demand of the Association is that the employees on retirement shall be granted six months leave as 'Leave preparatory to retirement' or in lieu thereof six months' total salary should be paid.

379. The company contends that this demand of the Union is fantastic, that there is no justification in conceding this demand and it virtually amounts to claiming Gratuity for an additional period of 6 months.

380. In the Statement Ex. 12/W referred to above, no company out of the 10 companies including the company in question has got any rule for allowing Furlough Leave, at the time of retirement.

381. In reference No. 1 of 1960 before the National Industrial Tribunal (Bank Disputes) at Bombay, published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (ii), dated 30th June, 1962, his Lordship (Shri K. T. Desai) in his Award has observed in para. 9.28 regarding leave Preparatory to Retirement, as follows:—

"There was a demand made before the Sastry Tribunal for six months leave with full pay and allowances preparatory to retirement. While dealing with this demand, the Sastry Tribunal observed that the provisions for leave granted by it would cover all the just and reasonable needs of the workmen and that the workmen could, in such cases, utilise the ordinary leave accumulated by them upto three months. It however added that if the banks were not able to grant such leave owing to exigencies of the bank work, the workmen should be paid on retirement the pay and allowances for such period for which the leave was withheld. No case has been made out before me for a change in the above provisions in the Sastry Award as modified, and I give similar directions in this award. The aforesaid observations will equally apply to the demand of "furlough leave".

382. As there is no practice in any one of the 10 companies referred to in Ex. 12/W to allow Furlough leave for a period of 6 months as demanded by the Association in this case, I do not think its demand in this respect can be considered. As per rules privilege leave to the extent of 100 days can be accumulated. If this leave remains to the credit of particular employee at the time of retirement, he may ask for such leave before retirement by making application at least 6 months before retirement. If the company refuses this leave on account of administrative difficulties, the company should give salary for 100 days privilege leave at the time of retirement, in addition to all other retirement benefits to which the employee is entitled. For the reasons given above I pass the following order:—

ORDER

Association's demand that employee on retirement shall be granted six months leave as 'Leave preparatory to retirement' or in lieu thereof six months' total salary should be paid, is rejected.

383. The employees would however, be entitled to apply for privilege leave to their credit before retirement by making application atleast 6 months before the date of retirement. If the company refuses the leave on account of administrative difficulties, it should give salary for the privilege leave to which the employee concerned is entitled, in addition to all other retirement benefits at the time of retirement.

Demand No. XIV: Security of Service:

384. The case of the Association on behalf of the workmen in respect of this demand as made out in Written Statement Ex. 1/W, in para 110, is as follows:—

"The Association submits that the Honourable Tribunal shall be pleased to direct that no employee shall be victimised for trade union activities. The demand is in accordance with the well established principles of industrial jurisprudence and does not require further justifications."

385. The Company's case in respect of this demand as made out in the Written Statement, Ex. 1/E, on Page 33, is as follows:—

"The Company does not victimise employees for Trade Union activities but the employees doing trade Union work should realise that they are primarily employees and their first allegiance is towards the Company."

386. The Company in its Rejoinder, Ex. 2/E, Para. 65, in respect of this demand contends as follows:—

"Referring to para. 110 of the Statement of Claims, the Company has never victimised any employee for genuine trade union activities. If any action is required to be taken against any employee for any indiscipline or misconduct, it is purely a managerial function and nobody can interfere with it."

387. It is common ground that the relations between the Company and its employees are cordial and happy and that upto now there was no instance of victimising any employee for Trade Union activities.

388. The learned Advocate Shri Gadkari for the workmen concedes that no direction is necessary in respect of this demand. In any opinion, Shri Gadkari

has rightly conceded on this point. If in future any case of victimising any employee for his trade union activities occurs, the remedy to take recourse to law for getting relief is always open. I, therefore, give no direction in respect of this demand.

Demand No. XV: Working Hours:

389. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 111 is as follows:—

“The existing working hours in the company under reference at Bombay are 6½ hours on week days and 4 hours on Saturdays making a total week of 36½ hours and the members of the Sub-Staff are required to work for 6 hours more every week. The actual spread over vary from office to office. The Association, therefore, submits that the working hours for employees in Grades C.D.E. & F. shall be 33 hours a week and 36 hours for employees in Grades A & B. A grace time of 15 minutes shall be allowed before they are marked late.

“This demand is in consonance with the present trend in commercial offices where five day-week is being introduced gradually and working hours are being reduced.”

390. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 33 is as follows:—

“The number of working hours at present is only 35½. To suggest that this number should be reduced still further is fantastic. The shorter working hours have severely affected the productivity and output of the work. It is submitted that the emoluments should correspond to greater productivity and in view of the low output, the Company should be permitted to have more working hours as is possible under the Bombay Shops and Establishments Act, 1948. In the countries of the West there is agitation for a 40-hour week, whereas in India persons do not want to work even for 35½ hours. Besides, it may be noted that the number of holidays enjoyed by people in India are many more than those enjoyed by persons in Western countries. The demand for reduction of working hours is unjustified and indicative of employees' attitude to do as little work as possible. After all, employees are working 35½ hours only during those weeks when there are no Sectional or other holidays. It has been suggested that employees should be allowed the right to attend Office late by 15 minutes instead of 10 minutes. In the first place, the so-called grace period is something peculiar to this country only. Either the Office-time is fixed or it is not; the right to come late is something which is basically illogical. In any case, we cannot agree to the employees coming 15 minutes late instead of 10 minutes.”

391. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E, para. 66 on page 38 is as follows:—

“Referring to para 111 of the Statement of Claims, it is denied that the total working hours are 36½ per week. As mentioned earlier, though the official time is 10-30, A.M. there is a grace period of 10 Minutes and so the effective time is only 10-40 A.M. In fact, most of the employees who turn up round about 10-30 A.M. do not normally start working till 10-40 A.M. and in some cases even those who turn up at 10-40 A.M. spend a few extra minutes in gossiping. In any event, the actual hours are 35½ and not 36½, having regard to the grace of 10 Minutes per day. The suggestion that the number of working hours should be reduced still further, is absolutely fantastic and must be rejected outright. In this connection, the Honourable Tribunal is requested to take into account the observations made by us in the written Statement.

“As to the Company having a 5-day week, the fault lies entirely with the Union in not agreeing to the Company's proposition to have a 5-day week subject, of course, to the stipulation that the total number of working-hours per week, shall not be reduced. It is now entirely up to the Union to agree that the total number of hours per week shall not be reduced and the Management is prepared to have a 5-day week in future.”

302. The Association in its replication Ex. 2/W on page 18, says:—

“With reference to the contents of this para, it is submitted that the working hours at present are not 35 1/2 in the company in all the offices throughout the country. The same are 36 1/2 hours.

“The rest of the paras is a matter of arguments and need no reply.

“It is, however, submitted that the reference of contracts prevailing in the Western countries is entirely misplaced. 40 Hours week that is being agitated for in the Western countries is in respect of factory workers and not in respect of clerical staff. At present, the working hours in Western countries is 48 hours as it is in India and the agitation is for reduction in these 48 hours to 40 hours.

“Para. No. 111 of the Statement of Claims is reiterated.”

393. The Association has produced a statement showing working hours in different companies at Ex. 19/W. That statement is as follows:—

| Name of the Company | Working hours | Lunch hours | Total hours in a day | Total hours in a week | Remarks |
|---------------------|-------------------------------------|-------------|----------------------|-----------------------|---------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Indian Trade | Clerical : 10.00 A.M. to 6.00 P.M. | One hour | 7 hrs. | 35 hrs. | 5 days a week |
| | Sub-staff : 9.30 A.M. to 6.30 P.M. | ,, | 8 hrs. | 40 hrs. | |
| New India | Clerical : 10.00 A.M. to 6.00 P.M. | ,, | 7 hrs. | 35 hrs. | 5 days |
| | Sub-staff : 9.30 A.M. to 6.30 P.M. | ,, | 8 hrs. | 40 hrs. | a week |
| Jupiter Gen. | Clerical : 10.30 A.M. to 5.30 P.M. | ,, | 6 hrs. | } 33 hrs. | 6 days a week |
| | Saturday : 10.30 A.M. to 1.30 P.M. | Nil | 3 hrs. | | |
| | Sub-staff : 10.00 A.M. to 6.00 P.M. | One hour | 7 hrs. | } 39 hrs. | 6 days a week |
| | Saturday : 10.00 A.M. to 2.00 P.M. | Nil | 4 hrs. | | |
| Oriental | Clerical : 10.00 A.M. to 5.15 P.M. | One hour | 6½ hrs. | } 34½ hrs. | 6 days a week |
| | Saturday : 10.00 A.M. to 1.15 P.M. | Nil | 3½ hrs. | | |
| Oriental" | Sub-staff : 9.30 A.M. to 5.45 P.M. | One hour | 7½ hrs. | } 40½ hrs. | ays |
| | Saturday : 9.30 A.M. to 1.45 P.M. | Nil | 4½ hrs. | | |
| South India | Clerical : 10.00 A.M. to 6.00 P.M. | One hour | 7 hrs. | 35 hrs. | 5 days a week |
| | Sub-staff : 9.30 A.M. to 6.30 P.M. | Nil | 8 hrs. | 40 hrs. | ,, |
| New Great | Clerical : 10.30 A.M. to 5.30 P.M. | One hour | 6 hrs. | } 33 hrs. | 6 days a week |
| | Saturday : 10.30 A.M. to 1.30 P.M. | Nil | 3 hrs. | | |
| | Sub-staff : 10.00 A.M. to 6.00 P.M. | One hr. | 7 hrs. | } 39 hrs. | , |
| | Saturday : 10.00 A.M. to 2.00 P.M. | Nil | 4 hrs. | | |
| Dena Insurance | Clerical : 10.15 A.M. to 5.45 P.M. | 45 mts. | 6½ hrs. | 33½ hrs. | 5 days a week |
| | Sub-staff : 9.45 A.M. to 6.15 P.M. | ,, | 7½ hrs. | 38½ hrs. | ,, |
| Indian Mercantile | Clerical : 10.30 A.M. to 5.45 P.M. | One hr. | 6½ hrs. | } 35 hrs. | days a week |
| | Saturday : 10.30 A.M. to 2.15 P.M. | Nil | 3½ hrs. | | |
| | Sub-staff : 10.00 A.M. to 6.15 P.M. | One hr. | 7½ hrs. | } 41 hrs. | , |
| | Saturday : 10.00 A.M. to 2.45 P.M. | Nil | 4½ hrs. | | |
| Universal | Clerical : 10.30 A.M. to 6.00 P.M. | One hr. | 6½ hrs. | } 36½ hrs. | days a week |
| | Saturday : 10.30 A.M. to 2.30 P.M. | Nil | 4 hrs. | | |
| | Sub-staff : 10.00 A.M. to 6.30 P.M. | One hr. | 7½ hrs. | } 42 hrs. | , |
| | Saturday : 10.00 A.M. to 2.30 P.M. | Nil | 4½ hrs. | | |

394. The Association contends that the existing working hours in the company be reduced from 36½ hours to 33 hours in respect of clerical staff and from 42 hours to 36 hours in respect of sub-staff. In support of this demand it relies on the statement showing the working hours in the different companies produced at Ex. 19/W and referred to above stating that there is a trend in commercial offices, regarding 5 days a week being introduced gradually and working hours being reduced.

395. On going through the statement Ex. 19/W referred to above, it is crystal clear that there is 5 days week in respect of companies namely, Indian Trade New India, South India, Dena Insurance. Their total working hours per week are 35/40 hours, 35/49 hours, 35/40 hours, 33 3/4/, 38 3/4 hours respectively. It means in majority of the companies where there is 5 days a week, the total working hours are 35 for clerical staff and 40 for Sub-staff. It means that their daily working hours are 7 hours for clerical staff and 8 hours for Sub-staff. In the present case the Association wants to reduce the weekly hours of work of clerical staff from 36 1/2 to 33 and of Sub-staff from 42 to 36 hours per week on the ground that there is a trend in commercial offices, where 5 days a week is being introduced and their working hours are being reduced. In the companies where there are 5 days a week, their working hours per week are somewhat the same as the companies having 6 days a week. On this analogy, the Association cannot say that the present weekly working hours should be reduced as desired by it. There is no justification for the Association's demand for reducing the weekly working hours. If the working hours are reduced, there will be less out-put and it will not be in the interest of the company as well as in the interest of the employees in the long run.

The company has shown its willingness saying as follows:—

“As to the Company having a 5 day week, the fault lies entirely with the Union is not agreeing to the company's proposition to have a 5 day week subject, of course, to the stipulation that the total number of working hours per week shall not be reduced. It is now entirely upto the Union to agree that the total number of hours per week shall not be reduced and the Management is prepared to have a 5 day week in future.”

396. In view of the above mentioned admission it is open to the Association to agree to the proposal made by the company that there can be a 5 days week provided the total number of the present working hours are not reduced.

397. The Association and the British India General Insurance Co. Ltd. and the Zenith Assurance Co. Ltd. Bombay entered into a compromise (Reference No. CGIT-2/25 of 1968). In that compromise the Association agreed that the working hours shall not be less than 36 hours for the Assistants and Sectional Heads and less than 42 hours for the peons in a week. The actual spread over of the working hours in each office shall be arranged with mutual agreement between the management and the workmen of the respective office. Taking this fact into consideration and the statement at Ex. 19/W referred to above, and considering the various amenities to which the workmen are entitled from the company, I am of the view that the present working hours should not be disturbed and the demand of the Association for reducing the present working hours from 36 1/2 hours to 33 hours for clerical staff and 42 hours to 36 hours for sub-staff per week cannot be considered to be just and fair. It deserves to be rejected.

398. The Association also contends that a grace time of 15 minutes shall be allowed before the employees are marked late.

399. It is urged on behalf of the company that the right to come late is something which is basically illogical and in any case it cannot agree to the employees coming 15 minutes late instead of 10 minutes.

400. It appears that the management condones 10 minutes delay but it is not prepared to condone 15 minutes delay. In my opinion discretion should be left to the management to condone even 15 minutes delay before marking late in exceptional cases, if satisfactory explanation is given. It is not desirable that 15 minutes grace time before marking late should be allowed as a rule. The Association's demand in this respect cannot be accepted.

401. In the end I pass the following order:—

ORDER

The Association's demand for reducing the present working hours and allowing a grace time of 15 minutes before marking late is rejected.

Demand No. XVI: BONUS:—

402. The case of the Association on behalf of the workmen in respect of this demand as made out in Ex. 1/W at paragraph 112 is as follows:—

"The company under reference at present is paying Bonus to its employees at the rate of 2 1/2 months basic salary as customary Bonus. The Association submits that:—

EMPLOYEES SHALL BE PAID 3 MONTHS BASIC SALARY AS BONUS PER YEAR AND THE SAME SHALL BE PAID ON OR BEFORE 30TH JUNE OF EVERY YEAR.

"The profits of the company permits payment of Bonus at the rate of 3 months basic salary. It is therefore prayed that the quantum of Bonus may be raised to 3 months basic salary."

403. The Company's case in respect of this demand as made out in Ex. 1/E is as follows:—

"Bonus payment in Insurance Industry are regulated by the provisions of Sec. 31A(1)(c)(viii) of the Insurance Act and any prior fixation of quantum of Bonus and intervention of the Industrial Tribunal is intended to be excluded. The Tribunal should therefore exclude this demand from consideration and award. Without prejudice to this it is submitted that as per the last agreement with the Union, the Company is to pay only Bonus equivalent to 1 1/2 months' Basic salary provided Dividend irrespective of quantum is declared. On our own, we have been paying Bonus on a much higher scale. Our past record bears out the contention that the Management is always doing its best but we cannot accept the condition that it must be equal to 3 months' basic salary per year. As per the Agreement, as mentioned above, the Company had agreed to pay Bonus equivalent to 1 1/2 months' Basic salary subject to certain conditions. No Company can agree to payment of Bonus by a particular date. We normally try to pay as soon as possible after the General Meeting provided Government sanction has been received by then. Lastly, there is no such thing as customary bonus in our industry and bonus is not paid because of any custom but it is paid subject to the provisions of Insurance Act only."

404. The learned Advocate Shri Kothari for the Company contends that this Tribunal cannot adjudicate the dispute about bonus to the Insurance employees and that the reference in respect of Demand No. XVI regarding Bonus is invalid. In support of this contention he relies on:

- (i) 1961 (I), LLJ, Page 249 in the Case between Workmen of Hercules Insurance Company Ltd. and Hercules Insurance Company Ltd., Calcutta.
- (ii) 1969 (I), LLJ, Page 719, in the case between Senghiv Jeevraj Ghewar Chand and others and Madras Chillies, Grains and Kirana Merchants Workers' Union (by Secretary) and others.
- (iii) Section 32(1) of the Payment of Bonus Act, 1965. Section 32(1) of the Payment of Bonus Act, 1965 is as follows:—

"Nothing in this Act shall apply to employees employed by any insurer carrying on general insurance business and the employees employed by the Life Insurance Corporation of India."

405. It is clear from the above mentioned provision of the Payment of Bonus Act that the payment of Bonus Act does not apply to the Insurance Companies.

406. In the case between the Workmen of Hercules Insurance Company Ltd. and Hercules Insurance Company Ltd., Calcutta, reported in 1961(I), LLJ, Page 249, it is laid down as follows:—

"In view of the provisions of S. 31A(1)(c) of the Insurance Act [without the proviso (vii) thereof] an insurance company could not be directed to employ its employees in any capacity so as to include in

their remuneration a liability to pay bonus in respect of its general insurance business. Bonus under the Industrial Disputes Act is not a part of wages, but the right to claim bonus which has been universally recognised by industrial adjudication in cases of employment falling under the said Act has now attained the status of a legal right. Bonus can be claimed as a matter of right provided of course by the application of the Full Bench formula it is shown that for the relevant year the employer has sufficient available surplus in hand. Hence bonus claimed by the employees of an insurance company would be a claim in respect of general insurance business and if allowed it would add to the remuneration payable to them, which is prohibited by the provisions in S. 31A(1)(c) of the Act. But proviso (vii) to S. 31A(1)(c) allows the payment of bonus to the employees of insurance companies subject to the condition specified by it. Bonus intended to be paid to such employees must not exceed in amount the equivalent of their salary for a period which the Central Government regards as reasonable. The result of this provision appears to be that the Central Government has to consider the circumstances of each insurer and then decide whether any bonus should be paid by the insurer to its employees. If the financial position of the insurer is sufficiently satisfactory, the Central Government may decide to allow the insurer to pay bonus to its employees and in that context the Central Government would prescribe the maximum within which the payment should be made. In no case can payment exceed the maximum prescribed by the Central Government, and in all cases the matter has to be considered by the Central Government and no other authority. Having regard to the scheme of the Act which purports to supervise and regulate the working of insurance companies, the legislature thought that the payment of bonus by the insurance companies to their employees should normally be prohibited and its payment should be permitted subject to the over-riding control of the Central Government to prescribe the maximum in that behalf. If the Central Government decides that no bonus should be paid, no bonus can be paid by the insurer. If the Central Government decides that bonus should be paid but not beyond specified limit, the insurer cannot exceed that limit.

"Hence the Central Government could not refer such claim for bonus for adjudication to the industrial tribunal under the provisions of the Industrial Disputes Act. The policy of the proviso is very clear. Payment of bonus by insurers was intended by the legislature to be conditioned by the provisions contained in the proviso. The intervention of the industrial tribunals was intended to be excluded in deciding the question and quantum of such bonus. It was intended to be left within the discretion of the Central Government so far as the payment of bonus by the insurers is concerned. Having regard to the unqualified and absolute prohibition contained in S. 31A(1)(c), it must be held that the payment of bonus is absolutely conditioned by proviso (vii) thereto. In the absence of the said provision, no bonus could have been claimed by insurance employees, and so the effect of the said provision must be to limit the said right to the conditions prescribed by it. Hence the reference of bonus dispute in such a case for adjudication must be held invalid."

407. The other ruling relied upon and referred to above also supports his view that in case of the Insurance Companies, the Tribunal has no jurisdiction to adjudicate the dispute about bonus and that reference in respect of bonus in such case is invalid.

408. Shri Gadkari, learned Advocate for the Association (i.e. employees) also concedes that the Tribunal cannot adjudicate the dispute about bonus in respect of Insurance employees.

409. In short considering the provisions under Section 32(1) of the Payment of Bonus Act, 1965 and the two authorities referred to above, I hold that the reference made by the Central Government in respect of demand regarding bonus is invalid and that the employees demand that the quantum of bonus may be raised to 3 months basic salary cannot be granted.

Demand No. XVII: Uniforms to Employees in the Grade A and B:

410. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W, paragraph 113 is as follows:—

"The Company under reference is supplying uniforms to the employees as detailed in Annexure 'B'. The Association submits that the uniforms be supplied on the following basis.

An employee of Grade A and B shall be provided with the following outfit annually.

1. Summer Uniforms: 2 Sets—one Additional summer uniform shall be provided where winter uniform is not necessary.
2. Winter Uniform: One set in 2 years.
3. Umbrella: One in 2 years.
4. Foot-wear: Two Pairs.
5. Raincoat: 1 for those who are to do outdoor duties.
6. Caps or Turbans

"The demand of the workmen, for being supplied with the uniform and the other requirements on the above basis is in conformity with the prevailing practice in most of the Commercial establishments, Bank Companies, and Insurance Companies and there is no reason why this Company should not supply uniforms on the above basis. The demand is self-explanatory and stands fully justified."

411. The Company's case in respect of this demand as made out in the written statement Ex. 1/E on page 34 is as follows:—

"We cannot agree to any change in existing practice. We suggest that the representatives of the Union should see to it that all the Members of the Sub-staff to whom Uniforms are supplied, do put on the uniforms while on duty. The demand is unjustified and unreasonable."

412. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E, para. 68, page 39, is as follows:—

"Regarding para. 113 of the statement of Claims, we have clarified the position in our Written Statement and we have no further comments to offer."

413. The Association in its replication, Ex. 2/W, on page 18 says:—

"The contents of this para. need no reply except that para. No. 113 of the Statement of Claims is reiterated."

414. The term No. 9 in the Memorandum of Settlement dated 15th September 1962, Annexure 'B' to the written Statement Ex. 1/W regarding Uniforms to Lower Grade Staff is as follows:—

"The present practice of giving two pants, 2 coats, 2 shirts, one cap and a pair of chappals every year will be continued. One umbrella will be provided to each peon every alternative year."

415. The Association has demanded that Summer Uniforms Winter Uniforms, Umbrella, Foot-wear, Raincoat and Caps or Turbans as mentioned in the statement of demand be supplied to the employees in grade A and B.

416. The Association has produced a comparative statement showing overtime allowance, out-door allowance, uniforms, washing allowance, suspension allowance and leave allowance prevailing in various General Insurance Cos. at Ex. 11/W in respect of 10 companies including the company in question i.e.

the Universal Fire and General Insurance Co. Ltd., The relevant portion of the statement is as follows:—

| Name of the Insurance Co. | Uniforms |
|---|--|
| 1. Jupiter General Insurance Co. Ltd. | 2 sets of summer uniforms. 1 set of Winter uniform. 1 Umbrella once in 2 years. |
| 2. South India Insurance Co. Ltd. | 3 sets of uniforms. 1 Pair of Footwear. 1 Umbrella and/or 1 Rain Coat with cap. |
| 3. India Reinsurance Corporation Ltd. | 3 Sets of uniforms. 1 Umbrella. |
| 4. New Great Insurance Co. Ltd. | 4 Pants, 4 coats, 4 caps. 1 umbrella and 1 pair of chappals. |
| 5. Jaybharat Insurance Co. Ltd. | 3 coats, 3 pants, 2 washable caps, of chappals, 1 umbrella. |
| 6. Indian Trade & Gen. Insurance Co. Ltd. | 3 sets of uniforms. 1 pair of chappals. 1 umbrella. |
| 7. Oriental Fire and Gen. Insurance Co. Ltd., | 2 sets of summer uniforms every year. 1 set winter uniform every 2 years Rs. 20/- for shoes every year. 1 umbrella every two years. |
| 8. Concord of India Insurance Co. Ltd. | 2 sets of uniforms. 1 cap, 1 pair of chappals every year. 1 umbrella once every year. |
| 9. South British Insurance Co. Ltd. | No information |
| 10. Universal Fire & General Insurance Co. Ltd. | 2 pants, 2 coats, 2 shirts, 1 cap, 1 pair of Chappals every year. 1 umbrella once every 2 years. |

417. It will be clear from the above mentioned statement that there is no uniform system regarding supply of uniforms to the lower grade staff. Out of the above mentioned companies, Jupiter Central Insurance Co. Ltd. and the Oriental Fire and General Insurance Co. Ltd. supply winter uniforms. New Great Insurance Co. Ltd. supplies 4 sets of uniforms while South India Insurance Co. Ltd., India Reinsurance Corporation Ltd., Jaybharat Insurance Co. Ltd. and Indian Trade and General Insurance Co. Ltd., supply 3 sets of uniforms. The remaining companies supply 2 sets of uniforms. But even different types of articles supplied to lower grade staff are not uniform.

418. The Association and the Company had by settlement agreed that the uniforms as mentioned above and shown against the Universal Fire and General Insurance Co. Ltd. should be supplied to the lower grade staff every year. Many years have not lapsed after this settlement. No change in the circumstances so far as this particular demand regarding uniforms has been pointed out. The present system of giving 2 pants, 2 coats, 2 shirts, 1 cap, 1 pair of chappals every year and 1 umbrella once every 2 years to the lower grade staff in the company appears to be adequate and liberal. The demand made by the Association in respect of Uniforms in this reference appears to be excessive. I see no reason to change the present practice of giving 2 pants, 2 coats, 2 shirts, 1 cap, 1 pair of chappals every year and 1 umbrella once every 2 years to the lower grade staff. The Association's demand made in this respect therefore fails.

419. In the end I pass the following order:—

ORDER

The demand is rejected. But the present practice in respect of the uniforms to the lower grade staff as mentioned in term No. 9 of the Memorandum of Settlement dated 15th September 1962, Annexure 'B' to the written statement Ex. 1/W to continue.

Demand No. XVIII: Allowance during Suspension:

420. "During the suspension of an employee he shall be paid an allowance equal to 75 per cent of his total wages."

421. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 114 is as follows:—

"The Association demands that during the suspension of an employee, he shall be paid an allowance equal to 75 per cent of his total wages.

"This existing provision of suspension allowance works out to be 75 per cent of total salary. But, as the Association has demanded revision of pay scales on the basis of 1949 price level resulting in the merger of a substantial portion of dearness allowance, the existing provision will be rendered automatically unfavourable in many cases to the employees. It is, therefore, submitted that in order to maintain the same benefit it is necessary that the provision of suspension allowance be amended and suspension allowance be paid at the rate of 75 per cent of the gross wages. The demand being in consonance with the existing practice prevailing in the country is fully justified."

422. The Company's case in respect of this demand as made out in the written statement Ex. 1/E on page 34 is as follows:—

"The demand is unjustified and no allowance during suspension can be paid as a rule. Further the quantum of 75 per cent is fantastic and renders the object of suspension negatory."

423. The Company's further case in respect of this demand as made out in the rejoinder Ex. 2/E para. 69 on page 39 is as follows:—

"Referring to para. 114 of the Statement of Claims, we have clarified the position in our Written Statement and we have no further comments to offer."

424. The Association in its replication Ex. 2/W on page 18, says:—

"The contents of para. No. 18 are denied and para. No. 114 of the Statement of Claims is reiterated."

425. It appears from the copy of the Memorandum of Settlement dated 15th September, 1962 Annexure 'B' produced with the Ex. 1/W by the Association that there was an agreement in respect of suspension allowance to the effect that an employee who is suspended will be paid 50 per cent of the basic pay and all allowances.

426. On the basis of the agreement referred to above, if a clerk getting Rs. 75/- per month as pay and Rs. 80/- per month as D.A. is suspended his suspension allowance per month would come to Rs. 117.50 i.e. Rs. 37.50 + Rs. 80.00. If the suspension allowance is allowed at the rate of 75 per cent of the basic pay and allowance taken together as demanded by the Union the clerk concerned referred to above would get a suspension allowance of Rs. 116.00. It will be clear from this illustration that the suspension allowance allowed on the basis of agreement comes to about 75 per cent of the basic pay and allowance. The Association has, therefore, raised a demand that the existing provision be modified by allowing the suspension allowance at the rate of 75 per cent of the total salary because if the pay is revised, the suspension allowance on the basis of the existing provision would be reduced and the workers would be put to loss. There is much force in this contention.

427. The contention of the company that the Association's demand in respect of this demand is unjustified and that the quantum of 75 per cent is fantastic is misconceived, because even as per the existing provision of suspension allowance

the actual amount of suspension allowance comes to 75 per cent of the basic pay and all allowances taken together. Hence it appears to me that the demand of the Association that the suspension allowance should be allowed to them, at the rate of 75 per cent of the total wages is just and proper, I. therefore, accept their demand and pass the following order:—

ORDER

The suspension allowance should be paid at the rate of 75 per cent of the basic pay and all allowances taken together during the period of suspension of an employee.

Demand No. XIX: Confirmation:

428. "Employees shall be confirmed after 3 months probationary service automatically."

429. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 115 is as follows:—

"At present an employee is confirmed on completion of a probationary period of 6 months in the company under reference. This period of probation is abnormally long and it should be reduced to 3 months. The demand gets support from the provisions of the Bombay Shops and Establishments Act, 1948, whereby an employee becomes entitled to 14 days notice or pay in lieu of notice on completion of 3 months of service before his services could be terminated. The period of three months is sufficient enough during which the employer can very well judge the performance of the employee concerned. There are a number of insurance companies and commercial institutions where the period of probation is prescribed as three months. The demand is therefore quite reasonable and just and the same should be accepted by the company under reference."

430. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 35 is as follows:—

"The employer submits that the Hon'ble Tribunal has no jurisdiction to regulate rules of confirmation. The demand is unjustified and an undue interference with managerial rights and functions. Normally, we confirm people after 6 months. We cannot agree to any reduction in the number of months. The Company must have adequate time to judge the abilities of a new recruit. Even the period of six months is too short. It must be increased to twelve months. The demand should be excluded from consideration and rejected."

431. The Company's further case in respect of this demand as made out in the rejoinder Ex. 2/E para. 70 on page 39 is as follows:—

"As regards para. 115 of the Statement of Claims, it is absolutely ridiculous to suggest that the Management can judge the work or capacity of any employee within a short period of 3 months. In fact, even the present period of 6 months is too short and it must be 12 months. The demand put up by the Union does not get any support from the provisions of the Bombay Shops and Establishments Act, as falsely alleged by the Union. The suggestion that the practice of confirming employees only after a period of 3 months is prevalent in several Insurance Companies and Commercial Institutions, is not admitted."

432. The Association in its replication, Ex. 2/W, on page 18, says:—

"The contents of this para are misconceived. It is denied that the Tribunal has no jurisdiction to give directions in regard to the period of confirmation".

"It is also denied that the same is a managerial right and cannot be interfered, with.

"The demand of reduction in the period of confirmation is absolutely just and proper and should be granted.

"The Company cannot be allowed to indulge in anti-labour practices in the name of so-called managerial rights and functions.

"Para No. 115 of the Statement of Claims is reiterated."

433. The learned Advocate Shri Gadkari for the Association contends that at present an employee in the company is confirmed on completion of the period of probation of 6 months, that 6 months period is abnormally long and that the same should be reduced to 3 months.

434. The learned Advocate Shri Kothari on the other hand contends that the present period of 6 months is too short and that it should be 12 months. He further contends that it is not possible for the management to judge the work and/or the capacity of an employee within a short period of 3 months and that on account of this the demand of the Union in this respect be rejected. Shri Kothari has not pointed out any authority to show that the Tribunal has no jurisdiction to regulate the rules of confirmation. In the absence of any authority his contention in this respect cannot be upheld.

435. The demand of the Association that the probationary period should be only for 3 months and that a probationer should be automatically be confirmed after completion of 3 months is difficult to accept. It is likely that the probationer in the first 3 months might not be in a position to show satisfactory progress and that he may succeed in showing satisfactory progress during the last 3 months and please the administration. If the probationer is to be confirmed after a period of 3 months it is likely that many of the probationer will be discharged before that period and this will not be in the interest of the employees. Discretion should be given to the administration to extend the period of probation for giving fair chance to the probationer to show improvement in his work and satisfy the management. It therefore appears to me that the demand made by the Union in this respect is not just and fair. It deserves to be rejected. I, therefore, pass the following order:—

ORDER

This demand is rejected.

Demand No. XX: TEMPORARY STAFF:

436. "The Company may employ temporary employees for performing duties of purely temporary nature. But such staff in no instance shall exceed more than three months in temporary service after which he shall be treated automatically in permanent service from the date of appointment."

437. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W, paragraph 116 is as follows:—

"The Company under reference employs persons as temporary staff and keeps them as such on their roles, with or without break in their service. In this way the workmen are deprived of the benefits of regular conditions of service. After working as temporary employees such employees are put in permanent cadre and are again required to complete the period of probation which is already long. This amounts to an unfair labour practice and must be stopped. The Association fully recognises the need of an employer to employ persons on temporary basis but this should not be used as an excuse to deprive the workmen of their legitimate rights. The Association, therefore, submits that the company under reference may employ temporary staff for performing duties of purely temporary nature but the period of such temporary employment should in no case exceed 3 months as 3 months is sufficiently long period by which time the employers must be able to determine their permanent strength. An employee who has worked for more than 3 months without break as temporary must be deemed to be in permanent cadre from the date of his first employment and the period spent on temporary employment be treated as period on probation. In order to avoid circumvention of these provisions it is also necessary that so long there is work in the company either of temporary nature or otherwise the same employee should be continued to be employed and his services should not be broken after every three months. The demand is fully justified and necessary to maintain industrial peace and to avoid unfair labour practices which is the primary object of every industrial adjudication."

438. The Company's case in respect of this demand as made out in the written statement Ex. 1/E on page 35 is as follows:—

"Normally, we avoid employing temporary staff. But if we do so, we cannot treat them as automatically confirmed within a period of three months as suggested by the Union. Employment of temporary staff and its

confirmation is a managerial function and beyond the scope of industrial adjudication. The demand is outside the purview of industrial adjudication and should be excluded from consideration."

439. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E, para. 71 on page 39 is as follows:—

"Referring to para 116 of the Statement of Claims, except on a rare occasion, this Company does not employ Temporary Staff and even if we have to do so, it is a purely Managerial function and with which the Union has nothing to do. We refuse to submit to dictation from the Union in such matters."

440. The Association in its replication Ex. 2/W on page 19 says:—

"With reference to this para of the Written Statement, it is denied that the employment of temporary staff and its confirmation is managerial function and beyond the scope of Industrial adjudication. It is also denied that the demand is outside the purview of Industrial Disputes Act. The Tribunal has full jurisdiction to regulate the employment of temporary staff and lay down condition for their being taken in regular employment.

"The Employers cannot be allowed to have the right of employing persons on temporary basis in spite of the fact that the vacancies are of permanent nature and under the garb of temporary employment deny them the benefits which are normally available to confirmed workmen.

"The demand of the workmen is absolutely just and proper and the workmen are entitled for the same.

"Para. No. 116 of the Statement of claims is reiterated."

441. The demand of the Association that the temporary employees in the service of the Company should be automatically treated as permanent on the expiry of a period of 3 months service does not appear to be just and proper. If the work of the company is in arrears and if the company wants to get the arrears cleared by employing temporary staff, it will be difficult for the company to absorb the temporary staff in permanent cadre. It is quite likely that clearing of arrears of work might continue for 4-5 months and the temporary staff may be required to be continued in the interest of administration for finishing this work. If the temporary staff employed for finishing such work is required to be confirmed only because it has served continuously for more than 3 months, it will create a number of administrative difficulties and complications. It will also affect the finance of the company. It will be unnecessary having too many employees for doing normal work. The company can absorb only such employees in permanent vacancies as are necessary for doing normal work. One cannot expect the company to make temporary staff employed for clearing of arrears etc. permanent because it would be difficult to find out work for them after the extra work is over. In my opinion the demand made by the Association in this respect deserves to be rejected. I, therefore, pass the following order:—

ORDER

This demand is rejected.

Demand No. XXI: Promotion:

442. "No direct recruitment shall be made in the Grades C, E and F and all vacancies in these grades shall be filled in by way of promotion. The promotions shall be made on the basis of seniority and merits of the employees. Employees in Grades A, B & C shall be absorbed in Grade D on passing S.S.C., S.S.L.C. or equivalent examination."

443. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex 1/W paragraphs 117 and 118 is as follows:—

"At present there are no rules and regulations of promotions except that the company has agreed to fill in the posts in higher cadre from amongst the existing employees as far as possible. The company has reserved the right to make direct recruitment and in regard to promotions from amongst the existing employees they do not follow any principle or any set rule. The promotions do not take place on the basis of merit but on the basis of personal likes and dislikes of the officials. Favouritism and nepotism is rampant on a large scale in the matter of

promotions. Senior employees are ignored without any reasonable cause and juniors are promoted for extraneous considerations. Direct recruitment in senior posts made even when equally efficient employees are available from amongst the existing employees, thereby reducing the opportunities for promotion to the existing employees and frustrating their future career.

"The Association, therefore, submits that this Honourable Tribunal may kindly be pleased to make an award in the following terms—

No direct recruitment shall be made in Grades C, E, & F and all vacancies in these grades shall be filled in by way of promotion. The promotions shall be made on the basis of seniority and merits of the employees. Employees in Grades A, B & C shall be absorbed in Grade D on passing S.S.C., S.S.L.C. or equivalent examinations.

The demand as submitted above, is fully justified."

444. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 35 is as follows:—

"The demand is outside the purview of industrial adjudication and should be excluded from consideration. Promotion to a higher grade is a purely managerial function and we cannot accept any interference from the Union or any one else. This Management has never indulged in any type of favouritism and if any one has been promoted to a higher grade, it has been purely on the basis of merits. Sheer seniority cannot be the criterion for promotion a person to a higher grade. It may also be noted that a large portion of the staff is composed of non-matriculantes or matriculantes. There are only a very few Graduates and most of whom have been recruited in recent years. Since a large majority are neither technically qualified nor are in a position to carry on independent correspondence on their own, the Company may have to recruit on occasions persons with decent educational or other qualifications in the interests of rendering better service to the clients. Under present conditions, if we are to maintain our position in the Industry or to improve it, we have to have better qualified staff from the existing employees, we cannot always find people who could fill positions of responsibility. So the Management has to be left completely free in this regard. There is today no one single employee related to any one of the Directors of the Company and as such, nobody has any vested interest in the matter.

"The suggestion that employees in Grade A, B and C shall be automatically promoted to grade D on passing the S.S.C. or S.S.L.C. examination, is not at all acceptable to us. It would only mean having redundant staff and with consequent increase in expenses. If for instance, Sepoys or other persons are promoted to grade 'D' automatically, we would be forced to recruit new Sepoys in place of those who are promoted and this would mean a substantial increase in expenses without any corresponding gain to the company. It should also be noted that persons who nowadays pass S.S.C. or some such examination, are hardly competent to discharge their function if promoted to higher grade. They have very poor knowledge of the English language and since the standard of such examinations is very low, beyond performing mere routine work which even a peon can do, these people cannot do anything. It is also debatable whether people with such qualifications, deserve emoluments which are nowadays payable to the clerical staff. When the Company can afford to get Graduates by offering only 2 more grade increments, there is no reason why such unqualified persons should be automatically promoted. Such promotions if given effect to, would lower the general efficiency still further. The demand must be rejected."

445. The Company's further case in respect of this demand as made out in the rejoinder Ex. 2/E paras 72 to 74, pages 39 and 40, is as follows:—

"As to para 117 of the Statement of Claims, the allegations, submissions and statements made by the Union are absolutely denied. There is no favouritism and nepotism in this Company as alleged by the Union. This Company has recognised merit wherever it is noticed and in granting Special Increments, we have been absolutely fair and impartial. In fact, several members of the Union have themselves been granted Special Increments on many occasions in the past and

It is a matter of regret that the Union had thought it fit to make such wild accusations without any justification. Apart from this, promotion of an employee is a purely Managerial function and the Union does not come into the picture at all.

"Referring to para 118 of the Statement of Claims, no Management can surrender its right of making direct recruitment whenever necessary and in the interests of the Company. No interference from the Union could be tolerated in this regard. The suggestion that efficient employees have been ignored when it comes to the question of promotion, is absolutely false. In effect, the Union wants that only its own favourites must be promoted and claims competent persons must be ignored. After all, sheer seniority cannot always be the correct criterion for promotion. It is competence and not mere seniority, that should always count. Of course, due weight is also given to seniority by the Management. In any event, promoting employees is purely a Managerial function it is our submission to the Honourable Tribunal that this cannot form a subject matter for adjudication.

"With regard to para 118 of the Statement of Claims, for reasons explained in the preceding para, the Company can never undertake not to have any direct recruitment. We are sorry to repeat that a large majority of the Members of the existing staff do not have either adequate educational qualifications or the necessary technical knowledge for responsible work. Under such conditions and in the interests of maintaining efficiency and rendering proper service to our clients, the Management must have the right to recruit people direct whenever and wherever circumstances so demand.

"Considering the calibre of people who nowadays pass the S.S.C. examination, the suggestion of the Union cannot be accepted. It must also be remembered that promoting peons or recorders to higher grades on their passing any particular examination as a matter of right, would lead to redundancy of staff and this no Employer can afford. The suggestion of the Union must be rejected."

446. The Association in its replication Ex. 2/W on page 19 para. 21, says:—

"With reference to this para, it is submitted that lying down the rules of promotion is not a Managerial function. Selection of individual employees for promotion in accordance with the rules that may be agreed upon may be a Managerial function. The promotion policy cannot be a Managerial function and the same can legitimately be a subject matter of Industrial adjudication. The mere fact that a substantial number of employees are Matriculates is not a ground for not evolving any promotion rules.

"Academic qualifications is not a guarantee for being efficient and technical qualifications for the job higher post is not essential. There are numerous Institutions where a number of Matriculates have proved much better than 'so called' highly qualified persons. In any case, any rules of promotion that may be framed can take care of academic qualifications as well and give necessary weightage to the employee who are more qualified academically as compared to those who are matriculates.

"The Management cannot be given absolutely free hand in the matter of promotion and recruitment of employees in the higher grade posts. The legitimate interest and aspirations of the existing employees have also to be safeguarded adequately.

"The demand of the workmen is to insure protection of these rights and is therefore absolutely legitimate, proper and justified.

"The suggestion for promoting the employees in Grades A, B and C on passing S.S.L.C. examination is also proper and justified.

"The Company is harping on the knowledge of English language but the same as is well known, is a foreign language and it is not to continue in this country for all times to come. The company has to get day to day work either in regional language or in the National language i.e. Hindi and merely because the persons who are matriculates possess poor knowledge of English is not a ground for not giving them an opportunity to work in Grade D.

"For that matter, even Graduates may not be, possessing same proficiency in English language as old graduates used to possess and yet minimum qualifications for appointment in Clerical cadre continues to remain S.S.C. or S.S.L.C. examination.

"The demand is proper and justified and should be accepted by this Hon'ble Tribunal."

447. The company has got branches all over India. It employs number of clerks, typists, peons etc. It is necessary to have some rules and regulations regarding promotion and recruitment. In the absence of specific rules for promotion and recruitment there is scope for favouritism. To avoid this it is necessary to have specific rules and regulations regarding recruitment and various terms of condition of service and promotion. The company may, therefore frame such rules. While framing such rules, it may make provision for direct recruitment as well as for promotion of the members of staff to higher posts on the basis of merit and seniority-cum-suitability. Of course, it is for the management to decide to whom to promote to a particular post or not in the light of the rules and regulations regarding promotions. The promotion made by the management can be challenged only when it is in violation of the rules regarding promotions. Otherwise the promotion is a managerial function.

448. In my opinion the demand made by the Association that no direct recruitment shall be made in the grades C, E & F and all vacancies in these grades shall be filled in by way of promotion and that the employees in the grades A, B & C shall be absorbed in Grade D on passing S.S.C., S.S.L.C. or equivalent examinations cannot be granted. In the interest of efficient administration, direct recruitment has to be resorted especially when members from the existing staff are not found upto the mark and suitable for the selection post. Similarly an employee cannot be promoted simply on his passing a particular examination or on obtaining qualification if his record is not good.

449. As regards the Association's request that promotion should be made on the basis of seniority and merits of the employees, there is no dispute. The company does promote persons on the basis of seniority and merit.

450. In short, considering the facts and circumstances of this case and the arguments advanced by both the parties, this Tribunal cannot accept this demand, but at the most it can recommend that the management may in its discretion as far as possible fill senior posts from the existing staff after considering the employees' qualification; ability, experience, knowledge, merit and seniority-cum-suitability.

Demand No. XXII: Conversion of Typists:

451. "Conversion of Typists to clerical cadre shall be allowed without any deduction in total remuneration."

452. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraphs 119 and 120 is as follows:—

"The Association submits that the Honourable Tribunal may kindly be pleased to make an award on the following terms:—

Conversion of typists to clerical cadre shall be allowed without any deduction in total remuneration.

"In the company under-reference, at present Assistants who are required to do typing job are made to do the same job for long and they are not usually considered for promotion in higher posts on the ground that they have worked as typists only and are not proficient in the clerical job. That, such employees being appointed in the Assistants grade and having equivalent qualifications are entitled to be treated at par along with other clerical employees for promotion and such other matters. In order to make them proficient in clerical duties it is necessary to allow conversion of such employees without loss of pay. Such conversion will not only satisfy the essential requirement of the workmen and it will also promote the interest of the company in as much as that almost all the employees will acquire additional qualification of typing. Further, the demand does not impose any additional burden on the company and there is no particular reason why the company should not agree to this claim. In the written statement the company has not objected to the conversion of the typist

to clerical grade. They have based their objection mainly on their getting the same emoluments even after conversion. This objection is not of much substance as a typist working as a clerk will have more utility being in the know of typing work also as compared with a person who is not in the know of typing. It is, therefore, submitted that the demand should be accepted and this Honourable Tribunal may be pleased to make an award in terms of the claim."

453. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 36 is as follows:

"In the first place, we cannot accept the suggestion that typists would be automatically allowed to join the clerical cadre as and when they want to. On the supposed ground that typists have to undergo more physical strain, we have already agreed to their being paid a special allowance. It is queer logic that a demand should be made that a particular category of employees should be paid a special allowance because of the alleged physical strain and the same person should be allowed to continue getting such allowance even though he reverts to another job. If the Management agree to a typist joining the clerical cadre, the question of payment of special allowance cannot and does not arise. The demand is absolutely illogical and must be rejected."

454. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/F, para. 75, page 40, is as follows:—

"With regard to para 119 of the Statement of Claims, The Union wants to have the Cake and to eat it too. On the one hand, they insist that a Typist's job is a skilled job and he must be paid an allowance. Once having extracted such an allowance, the Union insists that the Typists must have the right to become clerks and that too without any reduction in the total remuneration. We have yet to come across more queer logic than this.

"In the past, we did agree voluntarily to permit certain typists to work as clerks. But we cannot as a rule agree to the conditions stipulated by the Union. Apart from this, it is to be remembered that if we keep on promoting every Typist into a clerk, the company's burden will increase in that new Typists will have to be recruited and there will be a redundancy of the clerical staff. A person who joins as a Typist knows that he has to work as a Typist and he cannot demand as a matter of right that he must be permitted to work as a clerk. In any case, this is purely a Managerial function and the Union does not come into the picture at all. It is our respectful submission to the Honourable Tribunal that this cannot form a suitable matter for an Award."

455. The Association in its replication Ex. 2/W, on page 21, in para. 22 says:—

"Para. No. 119 to Para. No. 120 of the Statement of Claims is reiterated as the contents of these paras are matter of arguments and need no reply."

456. It is common ground that the Assistants who are required to do typing job get special allowance for typing work. If these Assistants want to compete for higher posts along with the clerical staff and if they want experience of the clerical post, they can request the management to allow them to work as clerks for bettering their prospects but in that case they cannot claim the special allowance which is given to typists for doing typing work. The demand that their posts should be convertible and that they should get special allowance while working as Clerks does not appear to be just and fair. In my opinion their demand in this respect cannot be accepted. I therefore, pass the following order:—

ORDER

The demand of the Association that conversion of typists to clerical cadre shall be allowed without any reduction in the total remuneration is rejected.

Demand No. XXIII: Heating Arrangement:

457. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 121 as follows:—

“The company has since started providing Electric Heater to Delhi employees only. The company in their written statement has raised no particular objection on this demand except that the demand has been raised at all centres. Since this reference is an All India reference and the Association is representing the employees of the company at all centres, the question of this demand being raised again by any section of the employees does not arise. The demand is in respect of only such centres where the climate is extremely cold, like Delhi, Amritsar, Ahmedabad, Anand, Patiala and Poona etc. It is a mere perversity to state that climatic conditions at all centres are the same. The Association therefore submits as follows:—

For Delhi region and the other places where the climate is extremely cold, the employee doing the typing work shall be provided with electric heating arrangement during winter season.

The Demand is therefore self-explanatory and needs no further explanation.”

458. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 36 is as follows:

“It is not only in Delhi where there is extreme cold in the winter season. The same position obtains in Calcutta, Ahmedabad, Nagpur, Anand etc. We do not see any reason why any particular category of employee should be provided with special facilities. If special facility is given to any employee, everybody else would start demanding it and we cannot obviously say “No” to them. We cannot provide such arrangements throughout the country and the demand must be rejected.”

459. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E, Para. 76, page 41 is as follows:—

“With regard to para. 121 of the Statement of Claims, we have offered our observations in our written statement.”

460. The Association in its replication Ex. 2/W, on page 21, para. 23, says:—

“With reference to para. No. 23, it is submitted that this is a matter of common knowledge that in India, the climate is not uniform at all places. There are places where in winter season, there is extreme cold and in summer season there is extreme heat.

“The demand for making heating arrangement is not confined to Delhi only but the same is in respect of all such offices of the Company where the climate is cold in winter season and wherever the climate is so cold the arrangements be made.

“We do not find any logic in contention of the Management. The demand itself is not for the whole of the country. There is no question of making arrangements throughout the country.

“The demand is absolutely just and proper and must be accepted.”

461. The allegation of the Association that the company has started providing Electric Heater in Delhi to employees doing typing work in winter season is not specifically denied by the company. It can be therefore presumed that the company is providing Electric Heater for Delhi employees doing typing work in cold season. If that be so there is no reason as to why the same benefit should not be extended to the typists working in other places where there is extreme cold in winter season. If such facility is given to the typists working in Delhi only it would result in creating discrimination between them and the other typists working in other branches of the company. This would create dissatisfaction among the typists working in other places of the company. In the interest of industrial peace and harmony it is necessary that this benefit should be extended to all typists working in other centres where there is extreme cold in winter. If this facility is provided, it would have good effect on the out-turn of work of the

typists. The typists would not lose their efficiency. In my opinion the demand made by the Association is just and fair. It deserves to be accepted. I, therefore, pass the following order :—

ORDER

In Delhi Region and other places where the climate is extremely cold, the employees doing typing work should be provided with electric heating arrangement during winter season.

Demand No. XXIV: Transfer:

462. "No employee shall be transferred from one place to another without his prior consent."

463. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 122 is as follows:—

"At present there are no service conditions authorising the company under reference to transfer the employees from their place of posting. The contract of employment between the company and the workmen too does not make any such provision. In the absence of any such right being vested in the employer either under the conditions of service, contract of employment or by way of practice as there is not a single instance of transfer by the company under reference, it must be presumed that any employee employed in this company cannot be transferred without his consent. The demand is therefore in conformity with the existing position, and this Honourable Tribunal may be pleased to pass an award accordingly. Moreover the company cannot be given unfettered discretion in regard to transfer as the same is likely to be misused and the employees are likely to be subjected to victimisation. Such a right cannot be given to the employers. It is further submitted that transfer from one place to another causes great hardship, economic and otherwise and it is generally beyond the capacity of the employees to bear these hardships. In this view of the matter the demand is fully justified."

464. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 37 is as follows:—

"Transfer is a purely managerial function and outside the scope of Industrial adjudication. We are not normally transferring any employee from one place to another. Since the Company's interest comes first, the Management must have a right to transfer people to other places, if circumstances so demand. A company which has an organization throughout India cannot accept the proposition that people must never be transferred from one place to another without their consent."

465. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E para. 77, page 41 is as follows:—

"Referring to para. 122 of the Statement of Claims, it is always the inherent right of the Employer to transfer any employee from one place to another in the interests of business. Such right does not lapse because there is no specific mention in the Service Rules to that effect. The Union is fully aware of the fact that we do not harass employees by transferring them at will. In fact, we have not done so till now. But the Company has the absolute right to transfer any employee from one place to another in the interests of the Company's business wherever necessary. The presumption of the Union that no employee could be transferred because nobody has so far been transferred, is absolutely unwarranted. The fact that we have not transferred any employee to another place only shows that we are not interested in harassing any one or in victimizing any one. But the Company can never give up its inherent right in the matter and it is submitted to the Honourable Tribunal that this is not a fit matter where an Award could be made."

466. The Association in its replication Ex. 2/W para. 24, on page 21, says:—

"With reference to para. No. 24, it is denied that transfer is purely a managerial function and is outside the scope of industrial adjudication. The Supreme Court has held in numerous cases that transfer is a matter

of conditions of employment which is to be contracted for specifically and is not an inherent right of the employer. The demand for change in conditions of service in regard to transfer is an industrial dispute and can be adjudicated upon.

"Para. No. 122 of the Statement of Claims is reiterated."

467. The learned Advocate Shri Gadkari for the Association contends that the present system of not transferring the employees from one office to other office at different place, be continued.

468. It appears from the pleadings of both parties that at present there are no service conditions authorising the company to transfer the employees from their place of posting and that the contract of employment between them does not make any provision for transfer. There is also no instance of any transfer of any employee by the company to any other place upto now.

469. The company has got branches all over India. It is also opening new branches. If the company's employees are transferred from one branch to another, in other State having different language, it will cause great hardships. It will be difficult for the subordinate staff to maintain double establishments, in case of transfer. For maintaining peace and harmony, amongst all employees of the company all over India, it should not transfer any employee from one branch to another branch in different State having different language, without prior consent of the employee concerned.

470. As regards the transfer of workmen from one Department to the other, or from one Section to other Section of the same Department, in the same office, it shall be made by the Management only in case of exigencies of the company's business, maintaining the seniority of the workmen and his service conditions intact. In case of such transfers prior consent of the employee concerned is not necessary as the employer has the right to transfer the workmen from one Department to another Department in the same establishment at the same place and because such a right is a implicit condition of service and it can be exercised without giving any reason.

471. For the reasons given above, I pass the following order in respect of this demand.

ORDER

- (i) As regards the transfer of the workmen from one Department to the other or from one Section to another Section of the same Department in the same office, it shall be made by the management only in the exigencies of the company's business maintaining the seniority of the workmen and their service conditions intact.
- (ii) The company shall not transfer any employee from one branch to another branch in the same State or in different States having different languages without prior consent of the employee concerned.

Demand No. XXV; Tiffin Room :

472. "The Company shall provide a Tiffin Room with sitting accommodation for the purpose of lunch, tea, etc."

473. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex. 1/W paragraph 123 is as follows:—

"The Association, on behalf of the workmen, submits that the company shall provide a tiffin room with sitting accommodation for the purpose of lunch, tea, etc. The demand is self-explanatory and needs no further explanation."

474. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 37 is as follows:—

"We have no accommodation to spare and the Members of the Union are fully aware of it. There is a Canteen room and which is freely used by the staff. The demand is unjustified and need be rejected."

475. The Association in its replication Ex. 2/W paragraph 25 on page 21 says :

"With reference to this para. it is submitted that Tiffin rooms are not available at all the offices of the Company. There is a small

accommodation at the Head Office. The company can easily take on rent more accommodation and provide this facility.

"Merely because there is no accommodation is no ground for denying the demand of the workmen."

476. As regards the employees demand for providing a separate room for taking tiffin, in each office of the company, it is difficult to accept. It is common knowledge that there is scarcity of accommodation in all big cities. It will be difficult for the company to provide a special room for Tiffin in each and every office. The members of the staff can take Tiffin on their tables, if there is no separate room for the same. If there is canteen room they can make use of it. In my opinion, it is unnecessary for the Tribunal to give any specific direction in this respect. There appears to be no justification for making a demand for a separate room in each office of the company for taking Tiffin. This demand, therefore, deserves to be rejected.

Demand No. XXVI: Sectional Holidays:

477. The case of the Association on behalf of the workmen in respect of this demand as made out in the written statement Ex.1/W, paragraph 124 is as follows:—

"The company under reference is already allowing Sectional Holidays of 10 days in a year on a restricted work time of 4-1/2 hours on each of the sectional holidays in Bombay Office only. The Association submits that the work on such restricted holidays should not be more than 3 hours and this facility be extended to all the offices in the company. The Association has, therefore, submitted the following demand:

A minimum of ten days shall be given as paid sectional holidays for all employees (on a restricted work-time basis of not less than 3 hours on each holiday) in a calendar year.

The demand is self-explanatory and needs no further justification."

478. The company's case in respect of this demand as made out in the written statement Ex.1/E on page 37 is as follows:

"In fact this Company has been giving more Sectional Holidays than almost any other Insurance Company in Bombay. There is, in fact, no need for such holidays and the Company has to continue the existing practice merely because of the provisions of law. There must after all be a limit to the number of days on which employees want to absent themselves. The present tendency to keep on demanding more and more days as holidays must never be encouraged. As suggested by us elsewhere, there should be no Sectional holidays. The demand must be rejected."

479. The company's further case in respect of this demand as made out in the rejoinder at Ex.2/E in para. 79, page 41 is as follows:—

"Referring to para 124 of the Statement of Claims, this Company is allowing more Sectional holidays than any other Company that we know of in the city of Bombay. This is a legacy from the past and is an anachronism under the conditions of today. We are a Secular State and there is no justification for any sectional holidays whatsoever. We request the Hon'ble Tribunal to rule that no Sectional holidays shall be demanded by the workmen in future.

"Having regard to the number of holidays announced by the Central and State Governments every year there is no further scope for any sectional holidays."

480. The learned Advocate Shri Gadkari for the Association contends that the present system of the company of allowing Sectional Holidays of 10 days in a year on a restricted work time of 4-1/2 hours on each of the Sectional Holidays in Bombay office only, be modified by reducing restricted work time of 4-1/2 hours on each of the Sectional Holidays, to 3 hours on each of the Sectional Holidays in Bombay office and that this system be made applicable to all other offices of the company, all over India.

481. The company has got offices at several important places all over India. It allows Sectional Holidays of 10 days in a year to the employees in Bombay office only. Allowing Sectional Holidays of 10 days in a year to the employees

in Bombay office only and not to other employees working in the same company at other places all over India amounts to unfair discrimination. This state of affairs is bound to create unrest and disturb industrial peace and harmony. In my opinion, the demand of the Union that the present system of allowing Sectional Holidays of 10 days in a year in Bombay office only should be made applicable to other employees working in other offices of the company all over India, is just and equitable. I accept the same.

482. As regards the employees' request that the restricted work time of $4\frac{1}{2}$ hours on each of the Sectional Holidays be reduced to 3 hours, it also deserves consideration. The existing working hours in the Company at Bombay are $6\frac{1}{2}$ hours on week days and 4 hours on Saturdays. If the employees are required to work for $4\frac{1}{2}$ hours on Sectional Holidays, it would mean that they would get off only for $1\frac{1}{2}$ hours on week days and no off on Saturdays. This will not serve their purpose. Asking them to work for $4\frac{1}{2}$ hours on restricted holiday is as good as not allowing the Sectional Holiday. In my opinion, the demand of the Union that the working hours on Sectional Holidays should be reduced to 3 hours appears just and equitable. I, therefore, accept the same.

483. In the end I pass the following order:—

ORDER

The present system of allowing Sectional Holidays of 10 days in a year on a restricted work time of $4\frac{1}{2}$ hours on each of the Sectional Holidays in Bombay Office only is modified by reducing the restricted work time of $4\frac{1}{2}$ hours on each of the Sectional Holidays in Bombay office to 3 hours and the same system is made applicable to all the employees of the company in other offices at several places all over India.

Demand No. XXVII: Date of Effect:

484. The case of the Association on behalf of the workmen in respect of this demand as made out in written statement Ex. 1/W paragraph 125, is as follows:—

"This demand has already been agreed to by the Company under reference in the Interim Relief Settlement dated 19th October 1965 by which this joint reference has been made, in respect of the Head Office, Delhi, Ahmedabad, Anand and Nagpur Branch employees. As regards the Calcutta Branch employees are concerned their existing agreement expired on 31st December, 1965 and in their case the award may be given with retrospective effect from 1st January, 1966. As regards the remaining employees who are not covered by the aforesaid settlement granting interim relief, there is absolutely no justification for not giving the retrospective effect from the same date i.e., 1st January, 1965. On the contrary the employees in these branches should receive more favourable consideration on the part of this Honourable Tribunal for the simple reason that there are no proper regulations governing their service conditions and they have also been deprived of the Interim Relief granted to a larger number of employees in the company. Depriving them also of the retrospective effect of the same date amounts to an unfair discrimination between one set of employees and another in the same company and such discrimination should not be allowed to exist. The Demand is therefore fully justified and the employees are entitled for the same."

485. The company's case in respect of this demand as made out in the written statement Ex. 1/E on page 37 is as follows:—

"In case of the Head Office and the 4 Branches mentioned in the Agreement dated 19th October, 1965 the Award shall take effect as from the 1st January, 1965 subject to the distinct stipulation that the interim relief granted on two occasions (Dearness Allowance and one month's salary paid in advance) must be fully taken into account and if the Hon'ble Tribunal is convinced that the relief granted in Dearness Allowance exceeds the relief that should have been given, the excess amount must be refunded to the Company. In any event, the one month's salary that has been granted purely by way of advance must be refunded to the Company in the manner indicated and agreed upon. It may be appreciated that though the Union terminated the Agreement we have continued granting them the increments as per the old Agreement. It follows as a natural corollary, therefore, that this payment must also be taken into account by the Hon'ble Tribunal. As regards other Branches, there is no justification for giving the Award with retrospective effect, and the date of effect must be the date of the Award."

"Branches:—The Company has Branches in addition to the 4 Branches mentioned in the Agreement dated 19th October 1965. As we have clarified, the Award can have retrospective effect only in case of the 4 Branches referred to. Apart from this, in case of all the Branches including the 4 Branches mentioned in the Agreement, local conditions must be taken into account. The scales of pay or other conditions of service which may be allowed to those working in Bombay city, cannot obviously apply to persons working in other cities. The Hon'ble Tribunal is requested to make a special note of this submission."

486. The company's further case in respect of this demand as made out in the rejoinder Ex. 2/E, in para. 80 page 42 is as follows:—

"Regarding para. 125 of the Statement of Claims, the Company has only agreed that the Award that may be given by the Honourable Tribunal will come into effect as from the 1st January 1965 in respect of the Head Office and its Branches at Delhi, Ahmedabad, Anand and Nagpur. While delivering the Award the Honourable Tribunal will take into account increments granted by the Company since the 1st January 1965 as also the interim reliefs given under D.A. on two occasions. In the case of the Employees of the Combined Branch at Calcutta, the Award shall take effect as from the 1st January 1966 after taking into account the increments and other reliefs granted since the expiry of the last agreement. In all other cases, the Award should take effect only from the date it is given.

"The Company has also granted purely as advance one month's salary to the employees and this has to be refunded by the employees concerned in the manner indicated in the Agreement dated the 19th October, 1965."

487. The Association's further case in respect of this demand as made out in the replication on behalf of the workmen at Ex. 2/W on page 22 under the heading 'Date of effect' is as follows:—

"With reference to this para, it is submitted that there is no reason as to why the award should not be given retrospective effect from 1st January 1965 in respect of other branches as well.

"As a matter of fact, the service conditions in the Company is not uniform throughout India and the employees in other branches except Head Office and four branches covered by the agreement, not being organised, were given very poor service conditions and it is therefore, more necessary that they are given relief in much higher quantity and from much earlier date as compared to the employees of the Head Office and four branches covered in the Agreement."

488. The learned Advocate Shri Gadkari for the Association contends that this Award be given retrospective effect from 1st January 1965 in respect of the company's employees at the Head Office, and at Delhi, Ahmedabad, Anand and Nagpur branches and from 1st January 1966 in respect of the employees at Calcutta. He also contends that the remaining employees of the company not covered by the settlement dated 19th October 1965, should get the benefit of this Award with effect from 1st January 1965. He further submits that in respect of new branches opened by the company, this Award should have effect from 1st January 1965, or from the date they came into existence, whichever is later.

489. Admittedly this Award is to be given retrospective effect from 1st January 1965 in regard to the workmen employed at Head Office and Branches of the Universal Fire and General Insurance Co. Ltd. at Delhi, Nagpur, Anand and Ahmedabad and from 1st January 1966 in respect of the employees of the Combine Branch at Calcutta. But the company's main contention is that this Award should not be given retrospective effect in respect of its employees not covered by the Agreements and that the Award should be made applicable to them with effect from the date of the Award. This contention cannot be accepted.

490. If this Award is made applicable in respect of some employees only with retrospective effect and to some in the same company with effect from the date of Award, it will disturb peace and industrial harmony. It will create dis-satisfaction and heart burnings amongst the employees to whom the Award would be made applicable from the date of the Award. This will be unfair. It will also amount to unfair discrimination between one set of employees and another in the same company. Such unfair discrimination cannot be allowed. I am, therefore, of the view that this Award should be made applicable to all employees with retrospective effect.

491. In short considering the pleadings of both parties and the arguments advanced by their advocates, I pass the following order in respect of this demand.

ORDER

- (i) This Award is given retrospective effect from 1st January 1965 in regard to all the workmen employed at the Head Office and Branches of the Universal Fire and General Insurance Co. Ltd., at Delhi, Nagpur, Anand and Ahmedabad.
- (ii) This Award is given retrospective effect from 1st January 1966 in respect of employees of the combine branch at Calcutta.
- (iii) This Award is given retrospective effect from 1st January 1965 in respect of the remaining employees of this company and not covered by the settlement dated 19th October 1965.
- (iv) As regards the new branches opened by this company, this Award is given retrospective effect from 1st January 1965 or from the date they came into existence whichever is later.

Demand No. XXVIII: Trade Union Rights:

492. The case of the Association on behalf of workmen in respect of this demand as made out in written statement Ex. 1/W para 126 is as follows:—

"The Association submits that the following Trade Union rights should be allowed:

"THE ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION AND ITS AFFILIATED UNITS SHALL BE GIVEN DUE RECOGNITION AND SUCH FACILITIES AS PROVIDING TRADE UNION OFFICES AND HOLDING TRADE UNION MEETINGS IN OFFICE PREMISES AND HANGING NOTICE BOARDS OF THE UNION SHOULD BE GRANTED.

"The above demand is self-explanatory and it needs no further justification except that the demand is fully supported by the Code of Discipline which has been evolved jointly by the employers' representatives, employees' representatives and the Government."

493. The Company's case in respect of this demand as made out in the written statement Ex. 1/E on page 38 is as follows:

"The employer submits that there is no reason why it should be called upon from time to time to recognise different Unions. First of all it had recognised its own Staff Union and later on it recognised the General Insurance Employees' Union, Bombay. We are now called upon to recognise the All India Insurance Employees' Association. There is no justification for this suggestion and do not accept it as representative union capable of raising industrial dispute on behalf of employees of our Company. After all there is the Regional unit and it can look after the interests of its members. Hence we cannot recognise any other union except the regional unit if it draws substantial members of workmen from our Company. The employer further submits that if the Hon'ble Tribunal gives any award on the point of recognition of any trade union, it should make it a condition of recognition that such trade union should strictly abide by the Code of Discipline and its rules. It should ensure that all decisions should be supported by a majority of votes by secret ballot and it should have majority of Company's employees as members.

"We are sorry that we have no office accommodation to provide for the Union. Apart from that, our Office accommodation is meant for carrying on the business of an Insurance Company and not for the purpose of Trade Union activities. We cannot permit them to hang notices on the Company's notice boards in the Office. If unions want to carry on their activities, they must have their own Offices which they in fact have in Bombay. Ours being a Company incorporated under Company Law having its own Articles etc., it is not permissible to allow trade union activities with the property or funds or personnel of the Company. The demand need be rejected."

494. The learned Advocate Shri Gadkarl for the Association contends that the Trade Union is already recognised. If that be so, there is no necessity for giving any direction in this Award for recognising the All India Insurance Employees' Association and its affiliated units.

495. The Association wants some place in the office premises of the company for holding Trade Union meetings, and for hanging notice boards of the Union. The company on the other hand says that it has no office accommodation to provide

for the Union and that it cannot permit them to hold meetings and to hang notice boards in its premises.

496. The Association has not shown as to how and under what provision of law it can claim place in the premises of the company for holding office, carrying Trade Union activities and meetings and hanging notice boards of the Union. The learned Advocate Shri Gadkari for the Association has not said a word in his argument for justifying the demand for a place or accommodation in the premises of the company, for holding office and for carrying trade union activities, and meetings and for hanging notice boards of the Union. Moreover it appears from the company's written statement Ex. 1/E that the Union has its own office in Bombay. It can therefore carry on Trade Union activities and meetings in its own premises, and hang notice boards of the Union there. I therefore give no direction of any kind in respect of this demand.

Demand No. XXIX: Existing rights and privileges:

497. The case of the Association on behalf of the workmen in respect of this demand as made out in the Written Statement Ex. 1/W, para 128 is as follows:—

"The Association submits that nothing contained in the demands shall adversely affect or take away from any employee or group of employees any right, privileges or usages, practice or conventions, amenities or other conditions of service that are already vested in or enjoyed by such employee or group of employees. This demand is also self-explanatory and is based on the well established principle of industrial jurisprudence. The workmen are therefore entitled to the same."

498. The company's case in respect of this demand as made out in the Written Statement in Ex. 1/E on page 39 is as follows:—

"This demand is very vaguely worded and cannot be accepted in its present form."

499. The learned Advocate Shri Gadkari for the Association (i.e. workmen) contends that there should be direction that the present award of this Tribunal would have no effect adverse and prejudicial to the existing conditions and rights of the employees.

500. The Company's contention that this demand is vague and that it cannot be accepted in the present form is difficult to accept. The demand is quite clear and concise. It cannot be said that it is vague. Hence the Company's contention raised in this respect fails.

501. Moreover the learned Advocate Shri Kothari for the Company has not seriously challenged this demand. I, therefore, accept the same and direct that nothing contained in this Award shall adversely affect or take away from any employee or group of employees any right, privilege or usages, practice, or conventions, amenities, or other conditions of service that are already vested in or enjoyed by such employee or group of employees, if they are more favourable and beneficial to them as compared to the benefits given under this Award.

502. In view of the above findings, I hold that the demands put forth by the workmen referred to above are justified to the extent to which I have allowed them.

503. In view of the term of reference that all the demands contained therein would apply equally to all the employees, employed by the Universal Fire and General Insurance Co. Ltd., throughout India, this Award would be applicable to all the employees of the company in all its branches all over India.

504. In the end I pass the following order:—

ORDER

- (i) Award as per my order in respect of each demand referred to above is made.
- (ii) No order as to costs.

(Sd.) N. K. VANI,
Presiding Officer,
Central Government Industrial Tribunal,
No. 2,
Bombay.

New Delhi, the 20th December 1969

S.O. 29.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Bombay, in the industrial dispute between the employers in relation to the Group Office: Norwich Union Fire Insurance Society Limited; Scottish Union and National Insurance Company; Maritime Insurance Company Limited Bombay and their workmen, which was received by the Central Government on the 19th December, 1969.

**BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL No. 2,
BOMBAY**

REFERENCE No. CGIT-2/3 OF 1968

Employers in relation to the Group Office: Norwich Union Fire Insurance Society Limited, Scottish Union and National Insurance Company and Maritime Insurance Company Limited, Bombay

AND

Their Workmen.

PRESENT:

Shri N. K. Vani, Presiding Officer.

APPEARANCES:

For the employers—Shri J. S. Bramley and Shri S. V. Mokashi, Labour Adviser.

For the workmen—Shri K. S. B. Pillai, General Secretary and Shri J. G. Kothare, Vice-President, General Insurance Employees' Union.

INDUSTRY: General Insurance

STATE: Maharashtra

Bombay, dated the 1st December, 1969

AWARD

By Order No. 70(11)/64-LRIV dated 26th January 1965 the Government of India, in the Ministry of Labour and Employment in exercise of the powers conferred by sub-section (2) of Section 10 of the Industrial Disputes Act, 1947 (14 of 1947) referred to the Central Government Industrial Tribunal, Bombay for adjudication, an industrial dispute existing between the employers in relation to the Group Office—Norwich Union Fire Insurance Society Limited, Scottish Union and National Insurance Company and Maritime Insurance Company Limited, Bombay and their employees represented by the General Insurance Employees' Union in respect of the matter specified in the schedule mentioned below:

SCHEDULE

Whether the terms and conditions of service of the workmen in the Group Office Norwich Union Fire Insurance Society Limited, Scottish Union and National Insurance Company and Maritime Insurance Company Limited, Bombay in respect of all or any of the following matters contained in the charter of demands submitted by the Union, require any revision and, if so, to what extent and from which date?

- (1) Classification of employees.
- (2) Scales of pay, method of adjustment in the scales of pay.
- (3) Dearness Allowance including the question whether any part of dearness allowance should be absorbed in the basic pay.
- (4) Special allowances.
- (5) Special Increments.
- (6) House Rent Allowance.
- (7) Officiating Allowance.
- (8) Supply of Text Books by the management free of cost to workmen appearing for A.C.I.I. or Federation of Insurance Institute Examination.
- (9) Subsidies for sports.
- (10) Lunch Allowance.

- (11) Medical Aid.
- (12) Gratuity.
- (13) Provident Fund including credit of Provident Fund Contribution to the accounts of employees in accordance with the agreement arrived at the time of introduction of the Provident Fund Scheme.
- (14) Leave Rules.
- (15) Allowance during suspension.
- (16) Recruitment.
- (17) Group Staff Life Insurance Scheme.

2. Later on by order No. 22/8/68-LR/III dated 25th November 1968 the Central Government transferred this reference to this Tribunal No. 2, for adjudication.

3. The companies have filed their written statement on 3rd May 1965 and rejoinder on 14th September 1965. The statement of claim on behalf of the employees in the company has been filed by Shri K. S. B. Pillai, General Secretary, General Insurance Employees' Union, Bombay 18th May, 1965.

4. Shri Salim M. Merchant, the Presiding Officer of the Central Government Industrial Tribunal, Bombay gave Award Part I on 17th February, 1966, giving interim relief.

5. The 3 Insurance companies alongwith other Insurance Companies and the representative of the employees have effected settlement marked as Annexure 'A'.

6. The employee have made 17 demands in this reference. Considering the demands and the settlement in respect of the demands of the employees, I find that the service conditions and pay scales of the employees have been improved. As the settlement is fair, I accept the same and pass the following order:—

ORDER

- (i) Award Part II in term of settlement marked as Annexure 'A' is made.
- (ii) Settlement marked as Annexure 'A' is to form part of this Award.
- (iii) No order as to costs.

(Sd.) N. K. VANI,
Presiding Officer,
Central Government Industrial
Tribunal No. 2, Bombay.

ANNEXURE 'A'

Memorandum of Settlement

Names of Parties:

Representing Employers :

| | |
|---------------------------|--|
| Mr. S. E. Dalvie | Commercial Union Assurance Co. Ltd., Bombay. |
| | The Northern Assurance Co. Ltd., Bombay. |
| | The Employers' Liability Assurance Corporation Ltd., Bombay. |
| Mr. J. S. Bramley | The South British Insurance Co. Ltd. Bombay. |
| Mr. J. N. Engineer | Royal Insurance Co. Ltd., Bombay. |
| | The London & Lancashire Insurance Co. Ltd., Bombay. |
| | The Liverpool & London & Globe Insurance Co. Ltd. Bombay. |
| | The Central Insurance Co. Ltd., Bombay. |
| Mr. K. Narayan | Guardian Assurance Co. Ltd., Bombay. |
| | Caledonian Insurance Co., Bombay. |
| Mr. P. B. Dastur | The Home Insurance Co., Bombay. |
| Mr. J. F. S. P. Fernandes | Legal & General Assurance Society Ltd., Bombay. |

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|---------------------------------|--|
| Mr. C. A. Shah | Phoenix Assurance Co. Ltd., Bombay. |
| Mr. S. K. Divecha | Alliance Assurance Co. Ltd., Bombay. Sun Insurance Office, Ltd., Bombay. |
| Mr. A. Monteiro | The New Zealand Insurance Co. Ltd. Bombay. |
| Mr. M. M. Chakrabarty | Atlas Assurance Co. Ltd., Bombay. Royal Exchange Assurance, Bombay. |
| Mr. S. R. Sanjana | Eagle Star Insurance Co. Ltd., Bombay. |
| Mr. K. M. Dastur | Norwich Union Fire Insurance Society Ltd., Bombay. The Scottish Union & National Insurance Co., Bombay. Maritime Insurance Co. Ltd. Bombay. |

Representing Employees

| | |
|-------------------------------|--|
| Mr. K. S. B. Pillai | The General Secretary, The General Insurance Employees' Union, Western Zone, Bombay, Bombay |
|-------------------------------|--|

This Settlement made this 30th day of October 1969 Between the Companies mentioned above and the workmen employed by the respective Companies in Bombay.

Whereas the General Insurance Employees' Union, Western Zone, Bombay (hereinafter referred to as "the Union") submitted charters of Demands on behalf of the workmen employed by the respective Companies.

And whereas the Charters of Demands were referred by the Central Government to Industrial Tribunal for adjudication being Reference CGIT Nos. 2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968.

And whereas the workmen were paid interim relief pending adjudication of the demands under their respective agreements as a result of negotiations between the parties from time to time and in some cases by an award of the Tribunal.

And whereas pursuant to further negotiations the parties have arrived at the following settlement to the intent that it will be binding on the parties under Section 18 of the Industrial Disputes Act, 1947 (hereinafter referred to as "the Act").

Terms of Settlement

1. Commencement of the Settlement

This settlement shall apply to all the workmen employed by the companies in Bombay with effect from 1st May 1968, except where stated to the contrary.

2. Scales of Pay:

The following shall be the scales of pay.

(a) Clerical Staff:

(i) General Clerical Grade :

Rs. 100-7½-130-10-210-15-270-EB-15-300-20-400

(ii) Run off Grade:

Rs. 165-15-240-20-400-25-450

(iii) Special Clerical Grade:

Rs. 270-20-350-25-550

(iv) Stenographers—

At present employed in Commercial Union Assurance Co. Ltd., only. Rs. 165—15—240—20—400—25—425 (Run Off: Grade). In case of new appointments of Stenographers in all Companies (including Commercial Union Assurance Co. Ltd.), they will be given two additional increments at the start of the General Clerical Grade, i.e. they will be started on Rs. 115/- per month, but will otherwise progress in accordance with the stages in the General Clerical Grade.

(v) Graduates—

Similarly in the case of new appointments, Graduates will be given two additional increments at the start of the General Clerical Grade, i.e. they will be started on Rs. 115/- per month.

(b) *Subordinate Staff*

- (i) *Peons/Bearers, Hamals, Liftmen, Watchmen, Oilmen, etc.* Rs. 35—3—53—4—77—5—102.

NOTE.—Workmen earning a basic salary of Rs. 77/- per month or more after being fitted into the new scales of pay as laid down in clause 3 below will continue to receive an annual increment of Rs. 5/- up to a maximum basic salary of Rs. 112/- per month instead of Rs. 102/- as prescribed above.

(ii) *Drivers*

For Drivers already in employment; Rs. 75—5—140—6—170. New appointments will be made in the grade of Rs. 75—5—150.

3 *Fitting in the grade and adjustment*

It is agreed that the basic salaries as on 30-4-1968 of the clerical and subordinate staff will be fitted into the revised basic salary scales coming into force from 1st May 1968 in the following manner:—

Clerical Staff

(i) With the exception of workmen employed by the New Zealand Insurance Co. Ltd., each company will add a sum of Rs. 10/- to the basic salary of a workman existing on 30th April 1968. The basic salary so arrived at will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale. Thereafter, each workman will receive one increment in the scale.

(ii) In the case of workmen employed by the New Zealand Insurance Co. Ltd., basic salaries of workmen existing on 30th April 1968 will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale and they will not be entitled to Rs. 10/- and/or any increment.

(iii) Adjustments under (i) and (ii) above are subject to the condition that workmen shall not exceed the maximum of their respective revised scales.

Subordinate Staff

(a) With the exception of workmen employed by the New Zealand Insurance Co. Ltd., and those mentioned in clause (b) hereunder, to the basic salary of each workman existing on 30th April 1968 shall be added an amount equal to the difference between the minimum of his existing scale and the minimum of his revised scale. After adding the said difference to the basic salary of the workman he will be fitted into the revised scale at the nearest higher step if it is not a step in the revised scale. Thereafter each workman will receive one scale increment in the revised scale.

(b) Workmen employed by the Companies other than those employed by the New Zealand Insurance Co. Ltd., whose existing basic salary scales have a minimum equal to or higher than the minimum of the revised scale will receive two scale increments by way of adjustment increments after their basic salaries are fitted in the revised scale at the nearest higher step if it is not a step in the revised scale.

(c) In the case of the New Zealand Insurance Co. Ltd., however, that Company agrees that workmen at present in the employment of the Company will be fitted in the revised scales at their respective stage in the existing scale on 30th April 1968, that is to say, if a workman is at the fifth stage of the existing scale, he will be fitted at the fifth stage of the revised scale and so on.

The difference between the basic salary received by them under the existing scale and the basic salary received by them under the revised scale will continue to be paid to the workmen as 'personal pay'. Such personal pay will not attract dearness allowance, but will be deemed to be basic salary for all other purposes.

Workmen in the New Zealand Insurance Co. Ltd., however, will not be entitled to any increment by way of adjustment increment.

(d) Adjustments under (a), (b) and (c) above are subject to workmen not exceeding the maximum of their respective scales.

(e) Notwithstanding anything contained above, it is agreed that in the event of the emoluments received by a workman in the subordinate staff under this settlement as on 1st May 1968 being less than the emoluments received as on 30th April 1968, the Companies agree to pay to that workman the actual difference plus a sum of Rs. 10/- as "Personal Allowance" for a period commencing on 1st May 1968 and ending on 30th September 1969, both of which will cease to be paid thereafter.

However, in the case of a workman in the subordinate staff to whom the above paragraph has been applied, in the event of his emoluments as on 1st October 1969 under this agreement being less than the emoluments received on 30th September 1969 under his former terms and conditions of service, the Companies agree to pay to that workman the actual difference between his former emoluments on 30th September 1969 and his emoluments under this agreement as from 1st October 1969 plus a sum of Rs. 10/- as "personal allowance" for a period commencing 1st October 1969 and ending on 31st December 1970 both of which will cease to be paid thereafter.

However, it is further agreed that in the event a workman in the subordinate staff to whom the above two paragraphs have been applied is on 1st January 1971 still receiving less emoluments than he was receiving on 30th September 1969 under his former terms that workman will be given a flat sum of Rs. 75/- in the month of January 1971 in addition to his basic salary and D.A. for that month payable hereunder and thereafter that workman will receive basic salary and D.A. as otherwise provided hereunder.

(f) In the event of the emoluments received by a member of the subordinate staff as on 1st May 1968 under this settlement being less than Rs. 10/- in excess of the emoluments received by him on 30th April 1968, the Company concerned agrees to pay to that workman the difference between the excess and Rs. 10/- as "personal allowance" for a period of 12 months only commencing 1st May 1968, which will cease to be paid after 30th April 1969.

(g) For the purpose of clause (e) and (f) above, the emoluments as on 30th April 1968 shall be deemed to be the basic salary plus dearness allowance plus interim relief less provident fund contribution, if any. Emoluments received as at 1st May 1968 shall be deemed to be the basic salary including any adjustment increments hereunder plus dearness allowance thereon less provident fund contribution, if any, at the new rates.

(h) The personal allowance payable to workmen in terms of clause (e) and (f) will not attract dearness allowance in terms of clause 4 hereinbelow, nor will it be taken into account for any other purpose.

Norwich Union Fire Insurance Society Ltd. The Scottish Union & National Insurance Co Maritime Insurance Co. Ltd.

Nothing above written in respect of the fitting in the grade and adjustment of the clerical and subordinate staff will apply to the Norwich Union Fire Insurance Society Ltd., The Scottish Union & National Insurance Co. and Maritime Insurance Co. Ltd. Workmen in the clerical and subordinate staff will in lieu of all fitting in and adjustment receive with effect from 1st May 1968 basic salaries as set out against their names in schedule "B" attached hereto. On these basic salaries, dearness allowance at the Index No. 731-740 as shown in paragraph 4 "Dearness Allowance" of this settlement will be calculated and the resulting total will be the basic salary and D.A. effective from 1st May 1968.

4. Dearness Allowance

Dearness Allowance shall be paid to the clerical staff and subordinate staff in accordance with the following scheme:

| Basic salary | The Working Class Consumer Price Index in Bombay Number 731-740 (1934=100) | Variation for to port rise o fall |
|----------------|--|-----------------------------------|
| Rs. 1 to 100 | 240% | 5% |
| Rs. 101 to 200 | 120% | 2½% |
| Rs. 201 to 550 | 60% | 1½% |
| Minimum D.A. | Rs. 145/- | Rs. 3/- |

Provided, however, that the maximum dearness allowance payable to the subordinate staff at the Index 731-740 shall not exceed Rs. 300/- per month. The subordinate staff, however, will be entitled to the benefit of the variation of the index by 10 points and the maximum dearness allowance payable shall increase or decrease in accordance with the percentage applicable to his salary on the basis

of the Index. For example, if a member of the subordinate staff at the index 731-740 is earning a salary of Rs. 150/-, the maximum dearness allowance payable to him will be Rs. 300/-. If the index is in the range 741-750, the maximum dearness allowance increase correspondingly, i.e. Rs. 300/- plus Rs. 5/- plus Rs. 1¼ equivalent to Rs. 306¼. The maximum will correspondingly decrease if the range of the index is 721-730.

Provided further that workmen drawing basic salary of over Rs. 550/- per month shall not be entitled to dearness allowance on that portion of the basic salary over Rs. 550/-.

For administrative convenience the Consumer Price Index for the Working Class in Bombay on which dearness allowance will be calculated shall be the last available Index published by the Government of Maharashtra and notified by the Bombay Chamber of Commerce & Industry a week prior to the date of the disbursement of the salaries.

5. Classification

The Classification of clerical staff into different grades will be as mentioned in Schedule "A" attached hereto

6. Special Allowance

The existing practice in the respective Companies of granting special allowance, if any, to workman will continue.

7. Insurance Examinations

The existing arrangement in the respective companies for rewarding the staff on passing the Insurance Examination's shall continue.

In case of Atlas Assurance Co. Ltd. the scheme applicable to workmen employed by the Guardian Assurance Co. Ltd., Bombay will be adopted.

8. Other Allowances

(a) Overtime Allowance

The existing arrangements regarding payment of overtime in the respective companies will continue. It is further agreed that no additional payment on account of overtime, if any, done by workmen prior to the date of signing this settlement will be due or claimed by the workmen as a result of the revision of wages or dearness allowance under this settlement with effect from 1st May 1968.

(b) Officiating Allowance

The existing practice, if any, regarding officiating allowance in the respective companies will continue.

9. Medical Aid

Medical aid to reimburse a workman for medicines and/or treatment prescribed by a registered medical practitioner in respect of the workman's own treatment only shall be granted to permanent workmen as follows:

(a) The Company shall reimburse to their respective workmen as aforesaid the full expenses towards such prescribed medicines and/or treatment including doctor's fees and consultation charges up to a maximum of Rs. 100/- in a calendar year;

(b) For expenditure in excess of Rs. 100/- the Companies will reimburse to their respective workmen as aforesaid 90 per cent of the medical expenses incurred; provided, however, that the total medical aid granted to a workman as aforesaid shall not exceed Rs. 150/- in any one calendar year.

The workmen under this clause shall be reimbursed on presentation of medical bills accompanied by a certificate from a registered medical practitioner whose treatment was availed of by the workman during illness.

10. Gratuity

All Companies shall introduce the following gratuity scheme with effect from 1st May 1968.

Gratuity shall be paid to permanent members of the clerical and subordinate staff (excluding part-time or temporary employees) subject in all cases up to a maximum of 18 months last basic salary at the following rate:—

(a) On normal retirement on reaching the age of superannuation or at death or on permanent total incapacity at the rate of one month's last basic salary for every completed year of continuous service. The balance of uncompleted year of service in excess of six months shall be treated as one year.

(b) On voluntary retirement or resignation from service—

After 10 years but less than 15 years of continuous service. 50% of the last basic salary for every completed year of service.

After 15 years of continuous service. 75% of the last basic salary for every completed year of service.

(c) On termination of service by the employer, gratuity shall be paid on the following scale—

(i) Upto and including 10 years of continuous service. 50 per cent. of one month's last basic salary for every completed year of service.

(ii) After completing 10 years but up to and including 15 years of continuous service. 75 per cent. of one month's last basic salary for every completed year of service.

(iii) Over 15 years of continuous service. One month's last basic salary for every completed year of service.

NOTE: (i)—No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.

(ii) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

However, in case of such Companies wherein a gratuity scheme is at present in existence, every member of the clerical or subordinate staff shall be given an option to choose within two months from the date of signing of this agreement between the existing gratuity scheme with amendments given herein below or revised gratuity scheme set out herein above.

The existing gratuity schemes are deemed to be amended as follows:—

(i) The maximum amount of gratuity payable under such scheme will be 18 months last basic salary.

(ii) The clauses regarding non-payment of gratuity, either wholly or partially, on account of termination due to misconduct shall be abolished and the following provisions will apply—

(a) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.

(b) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable, in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

The option once made by the employee will thereafter be irrevocable.

The employees whose services have come to an end for any reasons whatsoever after 1st May, 1966, will also be allowed to make an option within three months of the signing of this settlement. In case such termination is due to death, the option should be allowed to be made by the legal heir or administrator of such employee.

11. *Retirement age*.—The Awards of the Central Government Industrial Tribunal made in the year 1969 in respect of retirement age in the concerned Companies shall apply.

12. *Provident Fund*.—It is agreed that as soon as practicable after this settlement is signed and the Income-tax Commissioner has given his approval, the Companies concerned will, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices, amend the existing Provident

Fund Rules to provide for contribution at the rate of 6-1/4 per cent of the basic salary and dearness allowance by both the employer and workmen.

Subject to the Income-tax Commissioner giving his approval, the proposed amendment to the Provident Fund will come into effect from 1st May, 1968.

Notwithstanding anything written above in the case of Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co. and Maritime Insurance Company Ltd., these Companies, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices will amend its Provident Fund Rules to provide for contribution at the rate of 6-1/4 per cent of the basic salary and dearness allowance by both the employer and the workmen with effect from 1st October, 1969. Employees who have opted for the existing Pension Scheme will not be entitled to become members of the Provident Fund.

13. *Tiffin Allowance*.—With effect from 1st May, 1968, tiffin allowance of Rupee one per day for each member of the clerical and subordinate staff on every full working day (Saturdays, Sundays, Leave and Holidays excluded) when he attends office will be paid. The tiffin allowance may be paid in cash to a Tiffin Committee appointed by the employees' Union. Such payment will be made on the basis set out above, up to 5 days prior to the normal date the Company disburses salaries for the same month and will be disbursed on the latter date.

14. (A) *Leave*.—Workmen will be granted the following quantum of leave in accordance with the rules existing in the respective Companies.

(a) *Casual Leave*.—Up to 10 days in a year with full pay.

(b) *Privilege Leave*.—30 days leave with pay per annum with accumulation as at present in respective Companies.

(c) *Sick Leave*.—Sick leave will be granted on production of a medical certificate from a Registered Medical Practitioner.

Applications for sick leave must be made immediately and supported by a medical certificate in respect of any absence exceeding 3 days.

In the event of circumstances prevailing making it impossible to arrange for verbal notification or despatch of a post card on the first day of absence, a post card should be despatched or verbal information given as soon after as is possible, and on return to the office, the reasons for earlier advices not having been possible shall then be provided.

The Company reserves the right to require an employee to be examined by a doctor of its own choice at the Company's expense.

The entitlement of sick leave will be as follows:—

(i) Subject to the modifications in clause (ii) below each permanent member of the clerical and subordinate staff shall be entitled to sick leave with full pay for a maximum of 30 days for each completed year of service and subject to an over all maximum of 360 days during the whole of his service with the Company.

(ii) Notwithstanding the general principle laid down in clause (i) above, in cases of those existing members of the permanent clerical and subordinate staff who were over 32 years of age on 1st May 1968, the maximum amount of sick leave in the remaining period of their service with the Company shall be in accordance with the following scale:

Age on 1-5-1968

Maximum amount of sick leave on full pay

| | | | | | | | | | |
|------|-------------|----------|------------|---|---|---|---|---|----------|
| Over | 32 years to | 37 years | . | . | . | . | . | . | 300 days |
| " | 38 | " " | 42 years | . | . | . | . | . | 270 days |
| " | 43 | " " | 52 years | . | . | . | . | . | 210 days |
| " | 53 | " " | retirement | . | . | . | . | . | 150 days |

In cases of protracted illness involving hardship, sick leave beyond the limits laid down above may be granted at the sole discretion of the Company.

Accumulated privilege leave may be adjusted against sick leave already expended in blocks of 7 days or multiples of 7 days at a time but privilege leave thus adjusted cannot thereafter be converted back.

NOTE.—Notwithstanding what is stated above, temporary workmen and workmen on probation who may be in the employ of the Companies for 90 continuous days or more will only be granted leave as per the provisions of the Bombay Shops and Establishments Act but the quantum of leave will be at the rate of 30 days per year of service or *pro rata*.

14. (B) *Maternity Leave*.—A married female worker shall be granted maternity leave with full pay for not exceeding six weeks before confinement and not exceeding six weeks after confinement. The birth of a child or a miscarriage certified by a medical practitioner must be notified to the Company within one week of the event. Maternity leave will be granted up to a maximum of three occasions during the entire period of the service of the worker with the Company.

15. *Public Holiday*.—The practice existing in the respective Companies shall continue.

16. *Working Hours*.—The existing working hours for different categories of staff shall continue.

17. *Bonus*.—Subject to the approval of Government or any other competent authority, if required, it is agreed that an annual bonus equivalent to two months' basic salary shall be paid to all workmen covered by this settlement on the same basis as exists in the respective Companies, until such time as the provisions of the Payment of Bonus Act, 1965, are made applicable to the Companies, when bonus will be governed by the provisions laid down in that Act.

18. *Uniforms to Subordinate Staff*.—The existing practice of granting uniforms to the subordinate staff in the respective Companies shall continue. Where subordinate staff are not at present supplied with footwear they will be granted at least one pair of chappals every two years.

19. *Allowance during Suspension*.—The existing provisions, if any, in the respective Companies of granting an allowance during suspension of a workman shall continue.

20. *Confirmation*.—The normal probationary period will be six months and at the end of this period a probationer will be considered as confirmed to the permanent staff unless the Company notifies the employee concerned in writing that his work is not satisfactory and that his probationary period has been extended by three months more for further trial.

Nevertheless, at any time during the probationary period, a probationer may be confirmed to the permanent staff, or may have his services terminated on notice as per the Bombay Shops and Establishments Act being given (or pay in lieu thereof) at the discretion of the management, if his conduct or service is found unsatisfactory.

21. *Payment for the Outstanding Period*.—

(A) The companies will make lump sum payments at the following rates to workmen for their respective outstanding periods, subject to the conditions mentioned below:

1963—1½% of basic pay plus D.A. earned during the relevant period.

1964—12½% —do—

1965—15% —do—

1966—15% of basic pay plus D.A. earned during the relevant period plus 15% of monthly allowance for insurance examinations drawn from 1st September, 1966 where applicable.

1967—17½% of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the year.

1-1-68 to—20% of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the period.

(B) The above payments shall be subject to the following conditions:

- (i) The payments will be calculated from the date mentioned below against each Company up to 30th April, 1968. Where payment is due for a part of the year, it will be calculated on a *pro-rata* basis.
 - (a) The South British Insurance Co. Ltd., and Phonex Assurance Co. Ltd. From 1-1-1963 to 30-4-1968
 - (b) Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd., The Employers Liability Assurance Corporation Ltd., Alliance Assurance Co. Ltd., Sun Insurance Office Ltd., Guardian Assurance Co. Ltd., Caledonian Insurance Co., The Home Insurance Co., Royal Insurance Co. Ltd., The London & Lancashire Insurance Co. Ltd., The Liverpool & London & Globe Insurance Co. Ltd., The Central Insurance Co. Ltd., and Eagle Star Insurance Co. Ltd. From 1-9-1963 to 30-4-1968
 - (c) Legal & General Assurance Society Ltd. From 1-7-1963 to 30-4-1968
 - (d) Atlas Assurance Co. Ltd., and Royal Exchange Assurance From 22-3-1965 to 30-4-1968
 - (e) The New Zealand Insurance Co. Ltd. From 18-2-1965 to 30-4-1968
 - (f) Norwich Union Fire Insurance Soc. Ltd., The Scottish Union & National Insurance Co., Maritime Insurance Co. Ltd. From 1-2-1964 to 30-4-1968
- (ii) Notwithstanding any previous agreements/settlements to the contrary the interim reliefs paid by the Companies during the aforesaid period will be deducted from the amounts payable under sub-clause (A) of clause 21 and the balance after making deductions towards income-tax will be paid to the workmen.
- (iii) In consideration of the payments mentioned in this clause, the workmen will have no claim for revision of wages or other conditions of service or any other claim for the period prior to 1st May 1968.
- (iv) The lump-sum payments made under this clause shall not attract deductions towards provident fund or payments towards overtime, leave salary, bonus or any other payment.

22. *Calculation of Arrears*—(i) for the purpose of calculating the arrears in respect of basic salary and D.A. from 1st May 1968 the total monthly earnings (basic pay and dearness allowance but excluding overtime, if any earned) payable under this settlement will be worked out and the total monthly earnings (basic pay and dearness allowance including the interim reliefs but excluding overtime, if any earned) of the respective workmen for the above mentioned period will be deducted and the balance will be paid to the respective workmen as arrears, payable under this settlement.

(ii) The arrears payable under this settlement from 1st May 1968 in respect of bonus and tiffin allowance shall be paid separately.

(iii) provided, however, that the payments referred to in sub-clauses (i) and (ii) will be made after deducting any sums due on account of income-tax and/or provident fund.

23. The interim relief payments made by the Companies shall be discontinued as soon as wages and D.A. are paid in accordance with this settlement.

24. *Withdrawal of the Demands*.—In consideration of this settlement all demands which are subject matter of dispute in Ref. CGIT-2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968 and which are not covered by this settlement shall be deemed to have been withdrawn and the workmen shall not agitate in respect of the said demands during the period this settlement is in force.

25. *Period and Scope of Settlement*—(i) The above settlement shall remain in force upto 30th April 1971. The settlement shall continue to remain in force thereafter until it is terminated by either party by giving a notice in writing of two months.

(ii) The settlement will be applicable only to all full-time workman for whom grades are fixed under this settlement and who were in the service of the Company on 1st May 1968 or thereafter.

(iii) However, monetary benefits, if any, accruing under clause 21 of this settlement shall be paid to all these workmen who were in the employment during the relevant period, prior to the date of this settlement. In the case of workmen who have died, the benefit will be paid to their legal representatives.

26. *General*—(i) All payments accrued to the credit of the workmen as a result of this settlement shall be paid as early as possible but not later than one month from the date of this settlement.

(ii) Any dispute arising out of the interpretation of any clause of this settlement shall be settled between the parties to the dispute by mutual discussions. Failing settlement the parties will resort to the provisions of section 36A of the Act.

(iii) This settlement is arrived at with the sincere intention of maintaining cordial relations between the workmen and the Companies. The Companies and the workmen shall carry out the terms of this settlement in its true spirit.

(iv) The parties shall make application/s before the Central Government Industrial Tribunal before whom the disputes are pending to make an Award in terms of this settlement. The parties shall also send copies of this settlement reached under Section 18(3) read with section 2(p) of the Act to the various authorities prescribed under the Act.

27. *Special Provision*.—Notwithstanding anything contained hereinabove, it is agreed that provident fund and gratuity provided in clauses 10 and 12 of the settlement shall not apply to the New Zealand Insurance Co. Ltd. and the Home Insurance Co. whose forms of retiral benefits will be the subject of the separate negotiations with the Union. In the event parties fail to reach a settlement these matters will be decided by the Industrial Tribunal before whom the disputes are pending. Pending the outcome of such negotiations or decision of the Industrial Tribunal, existing Provident Fund and/or Gratuity Schemes, if any, in these Companies will continue.

28. *Existing Rights & Privileges*.—It is agreed that all existing rights and privileges of the workmen in respect of matters other than those covered by this settlement shall continue and the recognised rights of the management shall be maintained.

In witness whereof the parties have hereto set their hands the day and the year first above written.

Witness :

Sd/-

S.V. Mokashi

For and behalf of :

For Commercial Union Assurance Co. Ltd

Sd/-

Asstt. Branch Manager

The South British Insurance Company Ltd.

Sd/-

Manager

Royal Insurance Co. Ltd.

Sd/-

Branch Manager

For Caledonian Insurance Co.

Sd/-

Jr. Branch
Group Manager

For Guardian Assurance Co. Ltd.

Sd/-

Jr. Branch
Group Manager

The Home Insurance Co.,

Sd/-

Manager

For and on behalf of the Legal & General
Assurance Society Ltd.

Sd/-

Manager

For Phonix Assurance Co. Ltd.

Sd/-
Manager

For Alliance Assurance Co. Ltd.

Sd/-
Branch Manager

The New Zealand Insurance Co. Ltd.

Sd/-
Manager

Atlas Assurance Co. Ltd.,
Royal Exchange Assurance.

Sd/-

Group Joint Branch Manager

Eagle Star Insurance Co. Ltd.

Sd/-
for Manager for India

For and on behalf of Norwich Union Fire
Insurance Society Ltd.

Witness :

Sd/-
R.S. Lobo

Sd/-
Western Zone Manager

The General Insurance Employees' Union,
Western Zone, Bombay.

Sd/-
K. S. B. Pillai,

General Secretary

Submitted to the Tribunal

Sd/-

S.V. Mokashi.

For the General Insurance Employees Union.

Sd/-

J. G. Kothare
4-11-1960

SCHEDULE "A"

*Statement showing classification of clerical staff employed by the Companies in
Bombay*

1. *Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd.,
The Employers' Liability Assurance Corporation Ltd.*
 - (i) Employees who are at present in scale No. 1 will be placed in the general clerical grade.
 - (ii) Employees who are at present in scale No 2 will be placed in the "run off" grade.
 - (iii) Employees who are at present in the grade of sectional heads or top grade will be placed in the special clerical grade.
2. *The South British Insurance Co. Ltd.*
 - (i) Employees who are at present in grade "B" will be placed in the general clerical grade.
 - (ii) Employees who are at present in grade "A" will be placed in the special clerical grade.
3. *Royal Insurance Co. Ltd. The London & Lancashire Insurance Co. Ltd. The
Liverpool & London Globe Insurance Co. Ltd., The Central Insurance Co. Ltd.*
 - (i) Employees who are at present in Grade I and Grade II will be placed in the general clerical grade.
 - (ii) Employees who are at present in Grade III will be placed in the special clerical grade.

4. *Guardian Assurance Co. Ltd., Caledonian Insurance Co. Ltd.*

- (i) Employees who are at present in the clerical grade of Rs. 80/335 will be placed in the general clerical grade. The two record-clerks will also be placed in the general clerical grade.
- (ii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

5. *The Home Insurance Co.*

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.
- (ii) Employees who are at present in grade "A" will be placed in the "run off" grade.
- (iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

6. *Legal and General Assurance Society Ltd.*

- (i) Employees who are at present in the clerical grade of Rs. 80/342½ will be placed in the general clerical grade.
- (ii) Two employees who are working as heads of departments will be placed in the special clerical grade.

7. *Phoenix Assurance Co. Ltd.*

- (i) Employees who are at present in the lower clerical grade will be placed in the general clerical grade.
- (ii) Employees who are in the middle clerical grade will be placed in the "run off" grade.
- (iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

8. *Alliance Assurance Co. Ltd., Sun Insurance Office Ltd.*

- (i) Employees who are at present in the clerical grade "A" will be placed in the general clerical grade.
- (ii) Employees who are at present in the "Special grade" will be placed in the special clerical grade.

9. *The New Zealand Insurance Co. Ltd.*

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.
- (ii) Employees who are at present in grade "A" will be placed in the "run off" grade.
- (iii) Employees who are at present in the grade of head clerks will be placed in the special clerical grade.

10. *Atlas Assurance Co. Ltd., Royal Exchange Assurance*

- (i) Employees who are at present in grades up to Rs. 215 and Rs. 335 will be placed in the general clerical grade.
- (ii) Employees who are at present heads of departments will be placed in the special clerical grade.

11. *Eagle Star Insurance Co. Ltd.*

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.
- (ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

12. *Norwich Union Fire Insurance Society Ltd., Scottish Union and National Insurance Co., Maritime Insurance Co. Ltd.*

The Classification of the clerical staff will be as shown in Schedule "B" attached hereto.

SCHEDULE "B"

Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co., Maritime Insurance Co. Ltd.

Basic salaries of clerical staff and subordinate staff after due adjustment/fitment as per the settlement as on 1st May, 1968.

| Name | Grade | Basic monthly salary |
|------------------------------------|------------------------|----------------------|
| | | Rs. |
| <i>Clerical Staff:</i> | | |
| 1. Mr. J. B. Ramos | Special clerical grade | 525.00 |
| 2. Mr. B. S. Malankar | " | 400.00 |
| 3. Mr. R. K. Kadrekar | " | 475.00 |
| 4. Mr. A. R. Nagar | " | 425.00 |
| 5. Mr. R. M. Lobo | " | 400.00 |
| 6. Mr. E. Rodrigues | " | 400.00 |
| 7. Mr. K. R. Tondwalkar | " | 400.00 |
| 8. Mrs. G. K. Gandhi | " | 350.00 |
| 9. Mr. M. K. Tantra | General clerical grade | 340.00 |
| 10. Mr. P. H. Jhaveri | " | 320.00 |
| 11. Mr. R. A. Kulkarni | " | 340.00 |
| 12. Mr. D. N. Muranjan | " | 340.00 |
| 13. Mr. D. R. Mhatre | " | 340.00 |
| 14. Mr. K. R. Kudtarkar | " | 270.00 |
| 15. Mr. A. X. Rego | " | 270.00 |
| 16. Mr. A. S. Kurlkar | " | 310.00 |
| 17. Mr. P. P. Jacinto | " | 285.00 |
| 18. Mr. D. G. Rao | " | 320.00 |
| 19. Mr. S. R. Paes | " | 200.00 |
| 20. Mr. G. T. Shelar | " | 150.00 |
| 21. Mr. V. S. Mistry | " | 130.00 |
| 22. Mrs. S. Sampson | " | 150.00 |
| <i>Subordinate Staff :</i> | | |
| 1. Mr. S. S. Shinde | | 97.00 |
| 2. Mr. S. A. Khamkar | | 97.00 |
| 3. Mr. M. Vataria | | 69.00 |
| 4. Mr. M. Yusuf (Driver) | | 125.00 |

[No. F. 70(11)/64-LRIV (LRI).]

S.O. 30.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Bombay, in the industrial dispute between the employers in relation to the New Zealand Insurance Company Limited, Bombay and their workmen, which was received by the Central Government on the 19th December, 1969.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL NO. 2, AT BOMBAY

REFERENCE No. CGIT-2/11 of 1968

Employers in relation to New Zealand Insurance Co. Ltd.

AND

Their Workmen.

PRESENT

Shri N. K. Vanl, Presiding Officer

APPEARANCES:

For the employers:—Shri J. S. Bramley and Shri S. V. Mokashi, Labour Adviser.

For the workmen:—Shri K. S. B. Pillai, General Secretary with Shri J. G. Kothari, Vice-President, General Insurance Employees' Union.

INDUSTRY: General Insurance.

STATE: Maharashtra.

Bombay, the 1st December, 1969

AWARD

By Order No. 74(2)/66-LRIV, dated the 11th March, 1966, Government of India, in the Ministry of Labour and Employment in exercise of the powers conferred by sub-section (2) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947) referred to the Central Government Industrial Tribunal, Bombay for adjudication, an industrial dispute existing between the employers in relation to M/s. New Zealand Insurance Company Limited, Bombay and their workmen represented by the General Insurance Employees Union, Bombay in respect of the matter specified in the Schedule, mentioned below:—

SCHEDULE

Whether the following demands put forward by the workmen are justified?

Charter of Demands

All the demands contained herein below shall apply equally to all the employees employed in the New Zealand Insurance Co. Ltd., Bombay.

I. Classification of Employees

The employees will be classified into the following categories:

- (a) Sweepers, Sepoys, Chaprasis, and Head Peon shall be placed in Grade 'A'
- (b) Drivers shall be placed in Grade 'B'.
- (c) Assistants, Telephone Operators, Typists, Receiving and Paying Cashiers, shall be placed in Grade 'C'.
- (d) Junior Supervisory Staff variously termed as Higher Grade Assistants, Special Assistants, Seniors Assistants, Head Typists, Senior Cashiers, Stenographers, Draughtmen, etc., shall be placed in Grade 'D'.
- (e) Senior Supervisory Staff, variously termed as Superintendents, Assistant Superintendents, Head Clerks, Sectional Heads, Branch Accounts, etc., shall be placed in Grade 'E'.

II. Scales of Pay

- Grade A: Rs. 120—5/6—150—6/7—192—8/6—240 in 19 years.
 Grade B: Rs. 180—6/2—192—8/6—240—10/3—270 in 11 years.
 Grade C: Rs. 200—10/4—240—15/10—390—20/4—470 in 18 years.
 Grade D: Rs. 275—15/5—350—20/5—450—25/5—575 in 15 years.
 Grade E: Rs. 350—30/6—530—40/4—990 in 10 years.

III. Dearness Allowance

Dearness Allowance shall be paid at the rate of 1½ per cent of basic pay for every rise of 5 points over the cost of living index figure of 360 (1934—100 points) subject to a minimum of Rs. 40.

The Bombay working class consumers Price Index shall be taken as the basis for calculating the Dearness Allowance.

IV. Adjustments

An employee shall be fitted into the new scales on a point to point basis. The basic pay and the dearness allowance as on 31st March, 1964, shall be treated as basic pay only for the purpose of adjustment of basic pay to the new scales of pay.

If an employee is drawing more basic pay than what is warranted after proper adjustment as above, he shall continue to receive the excess amount as personal pay and shall be also given usual annual increments.

V. Special Allowance

Employees engaged in work mentioned below and/or designated as below shall be entitled to Special Allowances per mensem in addition to their salaries and emoluments in the manner stated below:—

- (a) Bank Peons, Despatch Peons, Head Peons, and such other employees;
Rs. 20/- per month.
- (b) Typists, Telephone Operators, Paying & Receiving Cashiers and Cashiers, and such other employees;
Rs. 30/- per month.

VI. Special Increments

Besides the above the employees under Grades 'C' and 'D' shall be entitled to Special Increments for passing the following examinations on the scale shown against each examination:

On Graduation 2 increments

On passing the following examinations:

- | | |
|--|------------------------------|
| 1. Licentiate or A.C.I.I.—Part I | } 1 increment for each part. |
| 2. K.A.F.I.I. Part I or A.C.I.I. Part II | |
| 3. A.F.I.I. Part II or A.C.I.I. Part III | |
| 4. Chartered Accountant | |

N.B. In case of Stenographers and Junior Supervisory Staff the total number of special increments shall not exceed three during that Grade. A Graduate appointed as an Assistant shall get a higher starting salary by two increments. Those Graduate Assistants who have not received the Graduation increments shall also get two increments.

VII. Other Allowances

- (a) **Overtime Allowances:**—An employee working overtime shall be entitled to overtime allowance for such period of work rendered at the rate of double the hourly rate of wages inclusive of Special Allowance and all other Allowances. No employee shall be engaged in for overtime work for more than 90 hours in a calendar year.
- (b) **Officiating Allowance:**
 - (i) If an employee is required to officiate in a higher post, he shall be entitled to an 'Acting Allowance' at the rate of 20 per cent of his salary for the period for which he officiates.
 - (ii) If an employee is required to act in a post for which Special Pay is Provided, he shall be entitled to *pro-rata* special allowance for the period of such work done.
- (c) **House Rent Allowance:**—All the employees shall be paid as "House Rent" a sum at the rate of 10 per cent of their Basic Salary per mensem subject to a minimum of Rs. 20/-.

VIII. Amenities

Subsidies:

- (i) Text Books for ACII or Federation of Insurance Institute Examination shall be supplied by the Company in turn. Examination fee shall be paid by the employer after the employee passes the examination.
- (ii) Adequate subsidy shall be given for Sports, Recreation and Cultural Activities of the employees.
- (iii) All the employees shall be entitled to a Free Personal Accident (Annual) Policy, the premiums of which shall be borne by the employers. The sum assured of such a policy shall be Rs. 10,000/- Rs. 7,500/- Rs. 5,000/- and Rs. 2,500/- to the employees in Grades E. D. C. & B and A respectively.
- (iv) Adequate subsidy shall be given for cheap canteens for supply of wholesome food to the employees in each of the office premises.

IX. Free Medical Aid

All the employees shall be entitled to free medical aid for selves and their dependents. All the cost of hospitalisation, medicines and doctors' bills shall be borne by the employers.

X. Gratuity

On retirement, or retrenchment or on death or on total and permanent disability of an employee while in the service of the Company:

One month's basic salary for each year of continuous service.

On resignation from service after completion of 10 years continuous service.

One month's basic salary for each year of continuous service.

On termination of service by the Company.

One month's basic salary for each completed year of service.

The salary for the purpose of calculating Gratuity shall be the terminal basic salary drawble by the employee previous to death, disablement, retirement, resignation, retrenchment or termination of service as the case may be.

XI. Retirement Age

The age of retirement of an employee shall be 60 years.

XII. Provident Fund:

- (i) All permanent employees including part-time employees should be made members of the Provident Fund.
- (ii) The rate of contribution should be 8.1/3% of the total emoluments, i.e. basic pay plus dearness allowance, plus special allowances, if any, with equal contribution by the Company. The employees should, however, be allowed to contribute voluntarily upto 15% of their salary without corresponding contribution from the Company.
- (iii) Interest at a minimum rate of 4½% should be paid on the total contribution by the employees and the Company.
- (iv) Unclaimed fund should be distributed *pro-rata* every three years amongst the existing employees from time to time.
- (v) Full benefits of the Fund should be permitted to the employees on completion of five years of service.
- (vi) Loan from the Provident Fund to the extent of 6 months salary or 90% of the employees' contribution whichever is less shall be granted to the employees at a time.

Board of Trustees

On the Board of Provident Fund Trust, the employees and the employers should have equal number of representatives. The employees' representatives should be elected by themselves by simple majority of votes. Re-election of the employees' representatives should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.

XIII Leave:

Casual Leave:—15 days casual leave should be given in a calendar year. 6 days casual leave may be granted at a stretch. Casual Leave may be prefixed or suffixed to holidays and Sundays.

Privilege (Earned) Leave:—Privilege leave should be allowed to all employees at the rate of 1 day for every 11 calendar days. Employees should be allowed to accumulate leave upto 6 months. Return fare to the employee, his wife and dependents should be granted once in two years for going anywhere in India.

Sick Leave:—Thirty days sick leave per year should be allowed on full pay to the employees with a maximum accumulation of 12 months during the service period.

In case of prolonged illness further sick leave with half pay should be allowed upto six months and another six months without pay.

Maternity Leave:—Maternity leave upto the period of three months shall be allowed to all female employees; but in no case more than six weeks leave will be allowed from the date of confinement.

Examination Leave:—Employees shall be allowed adequate leave for appearing in all the recognised examinations in addition to all other leave.

Special Leave:—Adequate leave shall be allowed to the Union Representatives and Office bearers of the All India Insurance Employees' Association and/or its

affiliated Units to enable them to attend meetings and conferences of the Unions and their Central Organisations and to participate in the Tribunals and Conciliations Proceedings.

XIV. *Security Service*

No employee shall be victimised for trade union activities.

XV. *Working Hours:*

The working hours for employees in Grades C, D and E shall be 33 hours a week and 36 hours for employees in Grades A & B. A grace time of 15 minutes shall be allowed before they are marked late.

XVI. *Bonus:*

Customary:—Employees shall be paid three months basic salary as bonus per year.

XVII. *Uniforms to employees in the grades A & B.*

An employee of Grades A & B shall be provided with the following outfit annually:—

1. Summer Uniforms: Three sets.
2. Umbrella : One
3. Footwear : Two pairs
4. Rain Coat : One for those who are to do outdoor duties.
5. Caps or Turbans.

XVIII. *Allowance during suspension:*

During the suspension of an employee, he shall be paid an allowance equal to 75 per cent of his total wages.

XIX. *Recruitments:*

Recruitment shall be made from amongst the retrenched employees of the General Insurance Industry, registered in the Pool as demanded in the resolution adopted in the All India Convention of General Insurance Employees hold on the 15th and 16th August, 1950, in Bombay under the auspices of the All India Insurance Employees' Association. Only in case such employees are not available in the Pool, recruitment might be made through local employment Exchanges. In case of recruitment from among the retrenched employees, due credit shall be given to the past service and all restriction regarding age, educational qualifications, etc., applicable to new recruits shall be waived.

XX. *Confirmation:*

Employees shall be confirmed after 3 months probationary service automatically.

XXI. *Temporary Staff:*

The Company may employ temporary employees for performing duties of purely temporary nature. But such staff in no instance shall exceed more than 6 months in temporary service, after which he shall be treated automatically in permanent service from the date of appointment.

XXII. *Promotion:*

No direct recruitment shall be made in Grades D & E and all vacancies in these Grades shall be filled in by way of promotion. The promotions shall be made on the basis of seniority and merits of the employees. Employees in Grades A & B shall be absorbed in Grade 'C' on passing S.S.C., S.S.L.C; or equivalent;

XXIII. *Transfer:*

No employee shall be transferred from one place to another without his prior consent.

XXIV. *Date of Effect:*

All benefits stated in this Charter of Demands shall have effect from 1-4-1964.

XXV. *Trade Union Rights:*

The all India Insurance Employees' Association and its affiliated Units shall be given due recognition and such facilities as providing Trade Union Offices and holding Trade Union Meetings in office premises and hanging Notice Board of the Union should be granted.

XXVI. Existing Rights & Privileges:

Nothing contained in this Chapter shall adversely affect or take away from any employee or group of employees any right, privileges or usages, practice or conventions, amenities or enjoyed by such employee or group of employees.

2. Later on by order No. 22/8/68-LRIII, dated 25-11-1968, the Central Government transferred this reference to this Tribunal No. 2, for adjudication.

3. The company has filed written statement on 22-7-1966 and rejoinder on 29-11-1966 opposing the demands of the employees. The statement of claim on behalf of the employees in the company has been filed by Shri K. S. B. Pillai General Secretary, the General Insurance Employees' Union, Bombay on 23-9-1966.

4. In respect of demand No. 11 regarding retirement age, I have given Award Part I on 1-7-1969.

5. Out of the 26 demands referred to above, there is Award Part I in respect of Demand No. 11. In respect of the remaining demands, except demand Nos. 10 and 12 regarding Gratuity and Provident Fund respectively, the parties have effected settlement in respect of this Company alongwith other Insurance Companies.

6. Considering the terms of settlement and the demands of the employees I find that their service conditions and pay scales have been improved. The settlement marked as Annexure 'A' appears to be quite fair and reasonable. I, therefore accept the same.

7. As regards demand Nos. 10 and 12 regarding Gratuity and Provident Fund respectively, the case has to be fixed for further hearing.

8. In the end I pass the following order:—

ORDER

- (i) Award Part II in terms of settlement marked as Annexure 'A' is made.
- (ii) Settlement Annexure 'A' is to form Part of the Award.
- (iii) Reference is fixed for further hearing in respect of demand Nos. 10 and 12 regarding Gratuity and Provident fund respectively.
- (iv) No order as to costs.

Sd./- N. K. VANI,
Presiding Officer,

ANNEXURE 'A'*Memorandum of settlement**Names of Parties:**Representing Employers*

| | | | | |
|------------------------|---|---|---|---|
| Mr. S.E. Dalvie | . | . | . | Commercial Union Assurance Co. Ltd., Bombay. The Northern Assurance Co. Ltd., Bombay The Employers' Liability Assurance Corporation Ltd., Bombay. |
| Mr. J.S. Bramley | . | . | . | The South British Insurance Co. Ltd., Bombay. |
| Mr. J.N. Engineer | . | . | . | Royal Insurance Co. Ltd., Bombay. The London & Lancashire Insurance Co., Ltd., Ecmta. The Liverpool & London & Globe Insurance Co. Ltd. Bombay. The Central Insurance Co. Ltd., Bombay. |
| Mr. K. Narayan | | | | Guardian Insurance Co., Bombay. Caledonian Insurance Co., Bombay. |
| Mr. P.B. Dastur | . | . | . | The Home Insurance Co., Bombay. |
| Mr. J.F.S.P. Fernandes | . | . | . | Legal & General Assurance Society Ltd., Bombay. |
| Mr. C.A. Shah | . | . | . | Phoenix Assurance Co. Ltd., Bombay. |
| Mr. S.K. Divecha | . | . | . | Alliance Assurance Co. Ltd., Bombay. Sun Insurance Office Ltd., Bombay. |
| Mr. A. Monteiro | . | . | . | The New Zealand Insurance Co. Ltd., Bombay. |
| Mr. M.M. Chakravarty | | | | Atlas Assurance Co. Ltd, Bombay. Royal Exchange Assurance, Bombay. |
| Mr. S.R. Sanjana | . | . | . | Eagle Star Insurance Co. Ltd., Bombay. |

Mr. K. M. Dasrur Norwich Union Fire Insurance Society Ltd., Bombay.
The Scottish Union & National Insurance Co., Bombay
Maritime Insurance Co. Ltd., Bombay

Representing Employees

Mr. K.S.B. Pillai The General Secretary,
The General Insurance Employees' Union, Western
Zone Bombay, Bombay.

This settlement made this 30th day of October 1969 between the Companies mentioned above and the workmen employed by the respective Companies in Bombay.

Whereas the General Insurance Employees' Union, Western Zone, Bombay (hereinafter referred to as "the Union") submitted Charters of Demands on behalf of the workmen employed by the respective Companies.

And whereas the Charters of Demands were referred by the Central Government to Industrial Tribunal for adjudication being Reference CGIT Nos. 2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968.

And whereas the workmen were paid interim relief pending adjudication of the demands under their respective agreements as a result of negotiations between the parties from time to time and in some cases by an award of the Tribunal.

And whereas pursuant to further negotiations the parties have arrived at the following settlement to the intent that it will be binding on the parties under Section 18 of the Industrial Disputes Act, 1947 (hereinafter referred to as "the Act").

Terms of Settlement

1. *Commencement of the Settlement.*—This settlement shall apply to all the workmen employed by the companies in Bombay with effect from 1st May 1968, except where stated to the contrary.

2. *Scales of Pay.*—The following shall be the scales of pay:

(a) *Clerical Staff*

(i) *General Clerical Grade*

Rs. 100—7½—130—10—210—15—270—S. B.—15—300—20—400.

(ii) *Run off grade*

Rs. 165—15—240—20—400—25—450.

(iii) *Special Clerical Grade*

Rs. 270—20—350—25—550.

(iv) *Stenographers*

At present employed in Commercial Union Assurance Co. Ltd., only. Rs. 165—15—240—20—400—25—425 (Run Off Grade). In case of new appointments of Stenographers in all Companies (including Commercial Union Assurance Co. Ltd.), they will be given two additional increments at the start of the General Clerical Grade, i.e. they will be started on Rs. 115/- per month, but will otherwise progress in accordance with the stages in the General Clerical Grade.

(v) *Graduates*

Similarly in the case of new appointments, Graduates will be given two additional increments at the start of the General Clerical Grade, i.e. they will be started on Rs. 115/- per month.

(b) *Subordinate Staff*

(i) *Peons/Bearers, Hamals, Liftmen, Watchmen, Oilmen, etc.* Rs. 35—3—53—4—77—5—102.

NOTE: Workmen earning a basic salary of Rs. 77/- per month or more after being fitted into the new scales of pay as laid down in clause 3 below will continue to receive an annual increment of Rs. 5/- up to a maximum basic salary of Rs. 112/- per month instead of Rs. 102/- as prescribed above.

(ii) *Drivers*

For Drivers already in employment: Rs. 75—5—140—6—170.

New appointments will be made in the grade of Rs. 75—5—150.

3. *Fitment in the grade and adjustment.*—It is agreed that the basic salaries as on 30th April 1968 of the clerical and subordinate staff will be fitted into the revised basic salary scales coming into force from 1st May 1968 in the following manner:—

Clerical Staff

(i) with the exception of workmen employed by the New Zealand Insurance Co. Ltd., each company will add a sum of Rs. 10 to the basic salary of a workman existing on 30th April 1968. The basic salary so arrived at will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale. Thereafter, each workman will receive one increment in the scale.

(ii) In the case of workmen employed by the New Zealand Insurance Co. Ltd., basic salaries of workmen existing on 30th April 1968 will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale and they will not be entitled to Rs. 10/- and/or any increment.

(iii) Adjustments under (i) and (ii) above are subject to the condition that workmen shall not exceed the maximum of their respective revised scales.

Subordinate Staff

(a) With the exception of workmen employed by the New Zealand Insurance Co. Ltd., and those mentioned in clause (b) hereunder, to the basic salary of each workman existing on 30th April 1968 shall be added an amount equal to the difference between the minimum of his existing scale and the minimum of his revised scale. After adding the said difference to the basic salary of the workman he will be fitted into the revised scale at the nearest higher step if it is not a step in the revised scale. Thereafter each workman will receive one scale increment in the revised scale.

(b) Workmen employed by the Companies other than those employed by the New Zealand Insurance Co. Ltd., whose existing basic salary scales have a minimum equal to or higher than the minimum of the revised scale will receive two scale increments by way of adjustment increments after their basic salaries are fitted in the revised scale at the nearest higher step if it is not a step in the revised scale.

(c) In the case of the New Zealand Insurance Co. Ltd., however, that Company agrees that workmen at present in the employment of the Company will be fitted in the revised scales at their respective stage in the existing scale on 30th April 1968, that is to say, if a workman is at the fifth stage of the existing scale, he will be fitted at the fifth stage of the revised scale and so on.

The difference between the basic salary received by them under the existing scale and the basic salary received by them under the revised scale will continue to be paid to the workmen as 'personal pay'. Such personal pay will not attract dearness allowance, but will be deemed to be basic salary for all other purposes.

Workmen in the New Zealand Insurance Co. Ltd., however, will not be entitled to any increment by way of adjustment increment.

(d) Adjustments under (a), (b) and (c) above are subject to workmen not exceeding the maximum of their respective scales.

(e) Notwithstanding anything contained above, it is agreed that in the event of the emoluments received by a workman in the subordinate staff under this settlement as on 1st May 1968 being less than the emoluments received as on 30th April 1968, the Companies agree to pay to that workman the actual difference plus a sum of Rs. 10 as "Personal Allowance" for a period commencing on 1st May 1968 and ending on 30th September 1969, both of which will cease to be paid thereafter.

However, in the case of a workman in the subordinate staff to whom the above paragraph has been applied, in the event of his emoluments as on 1st October 1969 under this agreement being less than the emoluments received on 30th September 1969 under his former terms and conditions of service, the Companies agree to pay to that workman the actual difference between his former emoluments on 30th September 1969 and his emoluments under this agreement as from 1st October 1969 plus a sum of Rs. 10 as "personal allowance" for a period commencing 1st October 1969 and ending on 31st December 1970 both of which will cease to be paid thereafter.

However, it is further agreed that in the event a workman in the subordinate staff to whom the above two paragraphs have been applied is on 1st January 1971

still receiving less emoluments than he was receiving on 30th September 1969 under his former terms that workman will be given a flat sum of Rs. 75 in the month of January 1971 in addition to his basic salary and D.A. for that month payable hereunder and thereafter that workman will receive basic salary and D.A. as otherwise provided hereunder.

(f) In the event of the emoluments received by a member of the subordinate staff as on 1st May 1968 under this settlement being less than Rs. 10 in excess of the emoluments received by him on 30th April 1968, the Company concerned agrees to pay to that workman the difference between the excess and Rs. 10 as "personal allowance" for a period of 12 months only commencing 1st May 1968, which will cease to be paid after 30th April 1969.

(g) For the purpose of clause (e) and (f) above, the emoluments as on 30th April 1968 shall be deemed to be the basic salary plus dearness allowance plus interim relief less provident fund contribution, if any. Emoluments received as at 1st May 1968 shall be deemed to be the basic salary including any adjustment increments hereunder plus dearness allowance thereon less provident fund contribution, if any, at the new rates.

(h) The personal allowance payable to workmen in terms of clause (e) and (f) will not attract dearness allowance in terms of clause 4 hereinbelow, nor will it be taken into account for any other purpose.

Norwich Union Fire Insurance Society Ltd.
The Scottish Union & National Insurance Co.
Maritime Insurance Co. Ltd.

Nothing above written in respect of the fitting in the grade and adjustment of the clerical and subordinate staff will apply to the Norwich Union Fire Insurance Society Ltd., The Scottish Union & National Insurance Co. and Maritime Insurance Co. Ltd. Workmen in the clerical and subordinate staff will in lieu of all fitting in and adjustment receive with effect from 1st May 1968 basic salaries as set out against their names in schedule "B" attached hereto. On these basic salaries, dearness allowance at the Index No. 731—740 as shown in paragraph 4 "Dearness Allowance" of this settlement will be calculated and the resulting total will be the basic salary and D.A. effective from 1st May 1968.

4. *Dearness allowance.*—Dearness Allowance shall be paid to the clerical staff and subordinate staff in accordance with the following scheme:

| Basic salary. | The Working Class Consumer Price Index in Bombay Number 731—740(1934-100) | Variation for 10 point rise or fall |
|--------------------------|---|-------------------------------------|
| Rs. 1 to 100 | 240% | 5% |
| Rs. 101 to 200 | 120% | 2½% |
| Rs. 201 to 550 | 60% | 1¼% |
| Minimum D.A. | Rs. 145/- | Rs. 3/- |

Provided, however, that the maximum dearness allowance payable to the subordinate staff at the Index 731—740 shall not exceed Rs. 300 per month. The subordinate staff, however, will be entitled to the benefit of the variation of the index by 10 points and the maximum dearness allowance payable shall increase or decrease in accordance with the percentage applicable to his salary on the basis of the index. For example, if a member of the subordinate staff at the index 731—740 is earning a salary of Rs. 150, the maximum dearness allowance payable to him will be Rs. 300. If the index is in the range 741—750, the maximum dearness allowance increase correspondingly, i.e. Rs. 300 plus Rs. 5 plus Rs. 1¼ equivalent to Rs. 306¼. The maximum will correspondingly decrease if the range of the index is 721—730.

Provided further that workmen drawing basic salary of over Rs. 550 per month shall not be entitled to dearness allowance on that portion of the basic salary over Rs. 550.

For administrative convenience the Consumer Price Index for the Working Class in Bombay on which dearness allowance will be calculated shall be the last available Index published by the Government of Maharashtra and notified by the

Bombay Chamber of Commerce and Industry a week prior to the date of the disbursement of the salaries.

5. *Classification*.—The Classification of clerical staff into different grades will be as mentioned in Schedule "A" attached hereto.

6. *Special Allowance*.—The existing practice in the respective Companies of granting special allowance, if any, to workman will continue.

7. *Insurance Examinations*.—The existing arrangement in the respective companies for rewarding the staff on passing the Insurance Examination/s shall continue.

In case of Atlas Assurance Co. Ltd. the scheme applicable to workmen employed by the Guardian Assurance Co. Ltd., Bombay will be adopted.

8. *Other Allowances (a) Overtime Allowance*.—The existing arrangements regarding payment of overtime in the respective companies will continue. It is further agreed that no additional payment on account of overtime, if any, done by workmen prior to the date of signing this settlement will be due or claimed by the workmen as a result of the revision of wages or dearness allowance under this settlement with effect from 1st May 1968.

(b) *Officiating Allowance*.—The existing practice, if any, regarding officiating allowance in the respective companies will continue.

9. *Medical Aid*.—Medical aid to reimburse a workman for medicines and/or treatment prescribed by a registered medical practitioner in respect of the workman's own treatment only shall be granted to permanent workmen as follows:

(a) The Company shall reimburse to their respective workmen as aforesaid the full expenses towards such prescribed medicines and/or treatment including doctor's fees and consultation charges up to a maximum of Rs. 100 in a calendar year;

(b) For expenditure in excess of Rs. 100 the Companies will reimburse to their respective workmen as aforesaid 90 per cent of the medical expenses incurred; provided, however, that the total medical aid granted to a workman as aforesaid shall not exceed Rs. 150 in any one calendar year.

The workmen under this clause shall be reimbursed on presentation of medical bills accompanied by a certificate from a registered medical practitioner whose treatment was availed of by the workman during illness.

10. *Gratuity*.—All Companies shall introduce the following gratuity scheme with effect from 1st May 1968.

Gratuity shall be paid to permanent members of the clerical and subordinate staff (excluding part-time or temporary employees) subject in all cases up to a maximum of 18 months last basic salary at the following rate:—

(a) On normal retirement on reaching the age of superannuation or at death or on permanent total incapacity at the rate of one month's last basic salary for every completed year of continuous service. The balance of uncompleted year of service in excess of six months shall be treated as one year.

(b) On voluntary retirement or resignation from service—

| | |
|--|---|
| After 10 years but less than 15 years of continuous service. | 50% of the last basic salary for every completed year of service. |
| After 15 years of continuous service. | 75% of the last basic salary for every completed year of service. |

(c) On termination of service by the employer, gratuity shall be paid on the following scale—

| | |
|--|---|
| i. Up to and including 10 years of continuous service. | 50% of one month's last basic salary for every completed year of service. |
| ii. After completing 10 years but up to and including 15 years of continuous service | 75% of one month's last basic salary for every completed year of service. |
| iii. Over 15 years of continuous service. | One month's last basic salary for every completed year of service. |

NOTE.—(i) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.

(ii) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

However, in case of such Companies wherein a gratuity scheme is at present in existence, every member of the clerical or subordinate staff shall be given an option to choose within two months from the date of signing of this agreement between the existing gratuity scheme with amendments given herein below or revised gratuity scheme set out herein above.

The existing gratuity schemes are deemed to be amended as follows:—

- (i) The maximum amount of gratuity payable under such scheme will be 18 months last basic salary.
- (ii) The clauses regarding non-payment of gratuity, either wholly or partially, on account of termination due to misconduct shall be abolished and the following provisions will apply:—
 - (a) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.
 - (b) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable, in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

The option once made by the employee will thereafter be irrevocable.

The employees whose services have come to an end for any reasons whatsoever after 1st May, 1969, will also be allowed to make an option within three months of the signing of this settlement. In case such termination is due to death, the option should be allowed to be made by the legal heir or administrator of such employee.

11. *Retirement Age.*—The Awards of the Central Government Industrial Tribunal made in the year 1969 in respect of retirement age in the concerned Companies shall apply.

12. *Provident Fund.*—It is agreed that as soon as practicable after this settlement is signed and the Income-tax Commissioner has given his approval, the Companies concerned will, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices, amend the existing Provident Fund Rules to provide for contribution at the rate of 6½ per cent of the basic salary and dearness allowance by both the employer and workmen.

Subject to the Income-tax Commissioner giving his approval, the proposed amendment to the Provident Fund will come into effect from 1st May 1968.

Notwithstanding anything written above in the case of Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co. and Maritime Insurance Company Ltd., these Companies, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices will amend its Provident Fund Rules to provide for contribution at the rate of 6½ per cent of the basic salary and dearness allowance by both the employer and the workmen with effect from 1st October 1968. Employees who have opted for the existing Pension Scheme will not be entitled to become members of the Provident Fund.

13. *Tiffin Allowance.*—With effect from 1st May 1968, the tiffin allowance of Rupee one per day for each member of the clerical and subordinate staff on every full working day (Saturdays, Sundays, Leave and Holidays excluded) when he attends office will be paid. The tiffin allowance may be paid in cash to a Tiffin Committee appointed by the employees' Union. Such payment will be made on the basis set out above, up to 5 days prior to the normal date the Company disburses salaries for the same month and will be disbursed on the latter date.

14. (A) *Leave.*—Workmen will be granted the following quantum of leave in accordance with the rules existing in the respective Companies.

- (a) *Casual leave.*—Up to 10 days in a year with full pay.
- (b) *Privilege leave.*—30 days leave with pay per annum with accumulation as at present in respective Companies.

- (c) *Sick Leave*.—Sick leave will be granted on production of a medical certificate from a Registered Medical Practitioner.

Applications for sick leave must be made immediately and supported by a medical certificate in respect of any absence exceeding 3 days.

In the event of circumstances prevailing making it impossible to arrange for verbal notification or despatch of a post card on the first day of absence, a post card should be despatched or verbal information given as soon after as is possible, and on return to the office, the reasons for earlier advices not having been possible shall then be provided.

The Company reserves the right to require an employee to be examined by a doctor of its own choice at the Company's expense.

The entitlement of sick leave will be as follows:—

- (i) Subject to the modification in clause (ii) below each permanent member of the clerical and subordinate staff shall be entitled to sick leave with full pay for a maximum of 30 days for each completed year of service and subject to an over all maximum of 360 days during the whole of his service with the Company.
- (ii) Notwithstanding the general principle laid down in clause (i) above, in cases of those existing members of the permanent clerical and subordinate staff who were over 32 year of age on 1st May 1968, the maximum amount of sick leave in the remaining period of their service with the Company shall be in accordance with the following scale:

| Age on 1-5-1968 | Maximum amount of sick leave on full pay |
|-----------------------------|--|
| Over 32 years to 37 years | 300 days |
| Over 38 years to 42 years | 270 days |
| Over 43 years to 52 years | 210 days |
| Over 53 years to retirement | 150 days |

In case of protracted illness involving hardship, sick leave beyond the limits laid down above may be granted at the sole discretion of the Company.

Assumulated privilege leave may be adjusted against sick leave already expended in blocks of 7 days or multiples of 7 days at a time but privilege leave thus adjusted cannot thereafter be converted back.

NOTE: Notwithstanding what is stated above, temporary workmen and workmen on probation who may be in the employ of the Companies for 90 continuous days or more will only be granted leave as per the provisions of the Bombay Shops and Establishments Act but the quantum of leave will be at the rate of 30 days per year of service or pro rata.

14. (B) *Maternity Leave*.—A married female worker shall be granted maternity leave with full pay for not exceeding six weeks before confinement and not exceeding six weeks after confinement. The birth of a child or a miscarriage certified by a medical practitioner must be notified to the Company within one week of the event. Maternity leave will be granted up to a maximum of three occasions during the entire period of the service of the worker with the Company.

15. *Public Holiday*.—The practice existing in the respective Companies shall continue.

16. *Working Hours*.—The existing working hours for different categories of staff shall continue.

17. *Bonus*.—Subject to the approval of Government or any other competent authority, if required, it is agreed that an annual bonus equivalent to two months' basic salary shall be paid to all workmen covered by this settlement on the same basis as exists in the respective Companies, until such time as the provisions of the Payment of Bonus Act, 1965, are made applicable to the Companies, when bonus will be governed by the provisions laid down in that Act.

18. *Uniforms to Subordinate Staff.*—The existing practice of granting uniforms to the subordinate staff in the respective Companies shall continue. Where subordinate staff are not at present supplied with footwear they will be granted at least one pair of chappals every two years.

19. *Allowance during Suspension.*—The existing provisions, if any in the respective Companies of granting an allowance during suspension of a workman shall continue.

20. *Confirmation.*—The normal probationary period will be six months and at the end of the period a probationer will be considered as confirmed to the permanent staff unless the Company notifies the employee concerned in writing that his work is not satisfactory and that his probationary period has been extended by three months more for further trial.

Nevertheless, at any time during the probationary period, a probationer may be confirmed to the permanent staff, or may have his services terminated on notice as per the Bombay Shops and Establishments Act being given (or pay in lieu thereof) at the discretion of the management, if his conduct or service is found unsatisfactory.

21. *Payment for the Outstanding Period.*—(A) The companies will make lump-sum payments at the following rates to workmen for their respective outstanding periods, subject to the conditions mentioned below:—

1953—10% of basic pay plus D.A. earned during the relevant period.

1964—12½% Do.

1965—15% Do.

1966—15% of basic pay plus D.A. earned during the relevant period plus 15% of monthly allowance for insurance examinations drawn from 1st September 1965 where applicable.

1967—17½% of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the year.

1-1-63 to 30-4-68 20% of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the period.

(B) The above payments shall be subject to the following conditions:

(i) The payments will be calculated from the date mentioned below against each Company up to 30th April 1968. Where payment is due for a part of the year, it will be calculated on a pro-rata basis.

- | | |
|--|------------------------------|
| (a) The South British Insurance Co. Ltd., and Phoenix Assurance Co. Ltd., | From 1-1-1963 to 30-4-1968 |
| (b) Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd., The Employers Liability Assurance Corporation Ltd., Alliance Assurance Co. Ltd., Sun Insurance Office Ltd., Guardian Assurance Co. Ltd., Caledonian Insurance Co., The Home Insurance Co., Royal Insurance Co. Ltd., The London & Lancashire Insurance Co. Ltd., The Liverpool & London & Globe Insurance Co. Ltd., The Central Insurance Co. Ltd., and Eagle Star Insurance Co. Ltd., | From 1-9-1963 to 30-4-1968. |
| (c) Legal & General Assurance Society Ltd. | From 1-7-1963 to 30-4-1968. |
| (d) Atlas Assurance Co. Ltd., and Royal Exchange Assurance | From 22-3-1965 to 30-4-1968. |
| (e) The New Zealand Insurance Co. Ltd., | From 18-2-1965 to 30-4-1968. |
| (f) Norwich Union Fire Insurance Society Ltd., The Scottish Union & National Insurance Co., Maritime Insurance Co. Ltd., | From 9-2-1964 to 30-4-1968. |

(ii) Notwithstanding any previous agreements/settlements to the contrary the interim reliefs paid by the Companies during the aforesaid period will be deducted from the amounts payable under sub-clause (A) of clause 21 and the balance after making deductions towards income-tax will be paid to the workmen.

(iii) In consideration of the payments mentioned in this clause, the workmen will have no claim for revision of wages or other conditions of service or any other claim for the period prior to 1st May 1968.

- (iv) The lump-sum payments made under this clause shall not attract deductions towards provident fund or payments towards overtime, leave salary, bonus or any other payment.

22. *Calculation of Arrears.*—(i) for the purpose of calculating the arrears in respect of basic salary and D.A., from 1st May 1968 the total monthly earnings (basic pay and dearness allowance but excluding overtime, if any earned) payable under this settlement will be worked out and the total monthly earnings (basic pay and dearness allowance including the interim reliefs but excluding overtime, if any earned) of the respective workmen for the above mentioned period will be deducted and the balance will be paid to the respective workmen as arrears, payable under this settlement.

- (ii) The arrears payable under this settlement from 1st May 1968 in respect of bonus and tiffin allowance shall be paid separately.

- (iii) provided, however, that the payments referred to in sub-clauses (i) and (ii) will be made after deducting any sums due on account of income-tax and/or provident fund.

23. The interim relief payments made by the Companies shall be discontinued as soon as wages and D.A. are paid in accordance with this settlement.

24. *Withdrawal of the Demands.*—In consideration of this settlement all demands which are subject matter of dispute in Ref. CGIT-2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968 and which are not covered by this settlement shall be deemed to have been withdrawn and the workmen shall not agitate in respect of the said demands during the period this settlement is in force.

25. *Period and scope of settlement.*—(i) The above settlement shall remain in force upto 30th April 1971. The settlement shall continue to remain in force thereafter until it is terminated by either party by giving a notice in writing of two months.

- (ii) The settlement will be applicable only to all full-time workman for whom grades are fixed under this settlement and who were in the service of the Company on 1st May 1968 or thereafter.

(iii) However, monetary benefits, if any, accruing under clause 21 of this settlement shall be paid to all those workmen who were in the employment during the relevant period, prior to the date of this settlement. In the case of workmen who have died, the benefit will be paid to their legal representatives.

26. *General.*—(i) All payments accrued to the credit of the workmen as a result of this settlement shall be paid as early as possible but not later than one month from the date of this settlement.

(ii) Any dispute arising out of the interpretation of any clause of this settlement shall be settled between the parties to the dispute by mutual discussions. Failing settlement the parties will resort to the provisions of section 36A of the Act.

(iii) This settlement is arrived at with the sincere intention of maintaining cordial relations between the workmen and the Companies. The Companies and the workmen shall carry out the terms of this settlement in its true spirit.

(iv) The parties shall make application/s before the Central Government Industrial Tribunal before whom the disputes are pending to make an Award in terms of this settlement. The parties shall also send copies of this settlement reached under Section 18(3) read with section 2(p) of the Act to the various authorities prescribed under the Act.

27. *Special Provision.*—Notwithstanding anything contained hereinabove, it is agreed that provident fund and gratuity provided in clauses 10 and 12 of the settlement shall not apply to the New Zealand Insurance Co. Ltd. the Home Insurance Co. whose forms of retiral benefits will be the subject of the separate negotiations with Union. In the event parties fail to reach a settlement these matters will be decided by the Industrial Tribunal before whom the disputes are pending. Pending the outcome of such negotiations or decision of the Industrial Tribunal, existing Provident Fund and/or Gratuity Schemes, if any, in these Companies will continue.

28. *Existing Rights and Privileges.*—It is agreed that all existing rights and privileges of the workmen in respect of matters other than those covered by this settlement shall continue and the recognised rights of the management shall be maintained.

In witness whereof the parties have hereto set their hands the day and the year first above written.

Witness:

Sd/-

S.V. Mokashi

For and on behalf of :

For Commercial Union Assurance Co. Ltd.,

Sd/-

Asstt. Branch Manager
The South British Insurance Company Ltd.

Sd/-

Manager
Royal Insurance Co. Ltd.,

Sd/-

Branch Manager,
For Caledonian Insurance Co.

Sd/-

Jr. Branch
Group Manager,
For Guardian Assurance Co. Ltd.,

Sd/-

Jr. Branch
Group Manager
The Home Insurance Co.,

Sd/-

Manager
For and on behalf of the Legal & General
Assurance Society Ltd.

Sd/-

Manager
For Phoenix Assurance Co. Ltd.,

Sd/-

Manager
For Alliance Assurance Co. Ltd.,

Sd/-

Branch Manager
The New Zealand Insurance Co. Ltd.,

Sd/-

Manager
Atlas Assurance Co. Ltd.,
Royal Exchange Assurance.

Sd/-

Group Joint Branch Manager.
Eagle Star Insurance Co. Ltd.,

Sd/-

for Manager for India
For and on behalf of Norwich Union Fire
Insurance Society Ltd.,

Sd/-

Western Zone Manager
The General Insurance Employees' Union,
Western Zone, Bombay.

Sd/-

K.S.B. Pillai,
General Secretary.

Submitted to the Tribunal.

Sd/-

S.V. Mokashi,

For the General Insurance Employees Union

Sd/-

J.G. Kothare
4.1.70.

SCHEDULE "A"

Statement showing classification of clerical staff employed by the Companies in Bombay

1. *Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd., The Employers Liability Assurance Corporation Ltd.*

- (i) Employees who are at present in scale No. 1 will be placed in the general clerical grade.
- (ii) Employees who are at present in scale No. 2 will be placed in the "run off" grade.
- (iii) Employees who are at present in the grade of sectional heads or top grade will be placed in the special clerical grade.

2. *The South British Insurance Co. Ltd.*

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.
- (ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

3. *Royal Insurance Co. Ltd. The London and Lancashire Insurance Co. Ltd. The Liverpool and London and Globe Insurance Co. Ltd., The Central Insurance Co. Ltd.*

- (i) Employees who are at present in Grade I and Grade II will be placed in the general clerical grade.
- (ii) Employees who are at present in Grade III will be placed in the special clerical grade.

4. *Guardian Assurance Co. Ltd., Caledonian Insurance Co. Ltd.,*

- (i) Employees who are at present in the lower clerical grade (80/335) will be placed in the general clerical grade. The two record-clerks will also be placed in the general clerical grade.
- (ii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

5. *The Home Insurance Co.*

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.
- (ii) Employees who are at present in grade "A" will be placed in the "run off" grade.
- (iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

6. *Legal and General Assurance Society Ltd.*

- (i) Employees who are at present in the clerical grade of Rs. 80/342½ will be placed in the general clerical grade.
- (ii) Two employees who are working as heads of departments will be placed in the special clerical grade.

7. *Phoenix Assurance Co. Ltd.*

- (i) Employees who are at present in the lower clerical grade will be placed in the general clerical grade.
- (ii) Employees who are in the middle clerical grade will be placed in the "run off" grade.
- (iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

8. *Alliance Assurance Co. Ltd., Sun Insurance Office Ltd.*

- (i) Employees who are at present in the clerical grade "A" will be placed in the general clerical grade.
- (ii) Employees who are at present in the "Special grade" will be placed in the special clerical grade.

9. *The New Zealand Insurance Co. Ltd.*

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of head clerks will be placed in the special clerical grade.

10. *Atlas Assurance Co. Ltd., Royal Exchange Assurance*

(i) Employees who are at present in grades up to Rs. 215 and Rs. 335 will be placed in the general clerical grade.

(ii) Employees who are at present heads of departments will be placed in the special clerical grade.

11. *Eagle star Insurance Co. Ltd.*

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

12. *Norwich Union Fire Insurance Society Ltd., Scottish Union and National Insurance Co., Maritime Insurance Co. Ltd.*

The Classification of the clerical staff will be as shown in Schedule "B" attached hereto.

SCHEDULE "B"

Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co., Maritime Insurance Co. Ltd.,

Basic salaries of clerical staff and subordinate staff after due adjustment/fitment as per the settlement as on 1st May 1968

| Name | Grade | Basic Monthly salary |
|-----------------------------|------------------------|----------------------|
| <i>Clerical Staff. :</i> | | Rs. |
| 1. Mr. J.B. Ramos | Special clerical grade | 525.00 |
| 2. Mr. B.S. Malankar | " | 400.00 |
| 3. Mr. R.K. Kadrekar | " | 475.00 |
| 4. Mr. A.R. Nagar | " | 425.00 |
| 5. Mr. R.M. Lobo | " | 400.00 |
| 6. Mr. E. Rodrigues | " | 400.00 |
| 7. Mr. K.R. Tondwalkar | " | 400.00 |
| 8. Mrs. G.K. Ghaudhi | " | 350.00 |
| 9. Mr. M. K. Tantra | General clerical Grade | 340.00 |
| 10. Mr. P.H. Jhaveri | " | 320.00 |
| 11. Mr. R.A. Kulkarni | " | 340.00 |
| 12. Mr. D.N. Muranjan | " | 340.00 |
| 13. Mr. D.R. Mhatre | " | 340.00 |
| 14. Mr. K.R. Kudtarkar | " | 270.00 |
| 15. Mr. A.X. Rego | " | 270.00 |
| 16. Mr. A.S. Kurlekar | " | 310.00 |
| 17. Mr. P. P. Jacinto | " | 285.00 |
| 18. Mr. D.G. Rao | " | 320.00 |
| 19. Mr. S.R. Paes | " | 200.00 |
| 20. Mr. G.T. Shelar | " | 150.00 |
| 21. Mr. V.S. Mistry | " | 130.00 |
| 22. Mrs. S. Sampson | " | 150.00 |
| <i>Subordinate Staff. :</i> | | |
| 1. Mr. S.S. Shinde | | 97.00 |
| 2. Mr. S.A. Khamkar | | 97.00 |
| 3. Mr. M. Vataria | | 69.00 |
| 4. Mr. M. Yusuf (Driver) | | 125.00 |

New Delhi, the 23rd December 1969

S.O. 31.—Whereas by the notification of the Government of India in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 2795, dated the 1st July, 1969, the Central Government had declared the coal industry to be a public utility service for the purposes of the Industrial Disputes Act, 1947 (14 of 1947), for a further period of six months from the 8th July, 1969;

And, whereas the Central Government is of opinion that public interest requires the extension of the said period by a further period of six months;

Now, therefore, in exercise of the powers conferred by the proviso to sub-clause (vi) of the clause (n) of section 2 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby declares the said industry to be a public utility service for the purposes of the said Act for a further period of six months from the 8th January, 1970.

[No. F. 1/87/69-LRI.]

New Delhi, the 24th December 1969

S.O. 32.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947) the Central Government hereby publishes the following award of the Central Government Industrial Tribunal, No. 2, Bombay, in the industrial dispute between the employers in relation to the fifteen insurance companies, namely (1) The Guardian Assurance Company Limited, (2) The Caledonian Insurance Company, (3) The Commercial Union Assurance Company Limited, (4) The Home Insurance Company, (5) The Legal and General Assurance Society Limited, (6) The Northern Assurance Company Limited, (7) The Employers Liability Assurance Corporation Limited, (8) The Phoenix Assurance Company Limited, (9) The Royal Insurance Company Limited, (10) The London and Lancashire Insurance Company Limited, (11) The Liverpool and London and Globe Insurance Company Limited, (12) The Central Insurance Company Limited, (13) The South British Insurance Company Limited, (14) The Alliance Assurance Company Limited and (15) The Sun Insurance Office Limited, and their workmen, which was received by the Central Government on the 19th December, 1969.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL NO. 2, AT BOMBAY

REFERENCE No. CGIT-2/2 OF 1968

Employers in relation to 15 Insurance Companies mentioned in Schedule I below
AND

Their Workmen.

PRESENT:

Shri N. K. Vani, Presiding Officer.

APPEARANCES:

For the employers—Shri J. S. Bramley and Shri S. V. Mokashi, Labour Adviser.

For the workmen—Shri K. S. B. Pillai and Shri J. G. Kothare, General Secretary and Vice-President respectively of the General Insurance Employees Union, Bombay.

INDUSTRY: General Insurance

STATE: Maharashtra

Bombay, dated the 1st December, 1969

AWARD

By Order No. 74(15)/64-LRIV dated 7th October 1964 the Government of India, in the Ministry of Labour and Employment in exercise of the powers conferred by Sub-Section (2) of Section 10 of the Industrial Disputes Act, 1947 (14 of 1947) referred to the Central Government Industrial Tribunal, Bombay for adjudication, an industrial dispute existing between the employers in relation to 15 Insurance Companies mentioned in Schedule I below and their workmen represented by the

General Insurance Employees' Union, Bombay in respect of the matter specified in the Schedule II mentioned hereunder:—

SCHEDULE I

1. The Guardian Assurance Co. Ltd.,
2. The Caledonian Insurance Co.,
3. The Commerical Union Assurance Co. Ltd.,
4. The Home Insurance Co.,
5. The Legal & General Assurance Society Ltd.,
6. The Northern Assurance Co. Ltd.,
7. The Employers Liability Assurance Corpn. Ltd.,
8. The Phoenix Assurance Co. Ltd.,
9. The Royal Insurance Co. Ltd.,
10. The London & Lancashire Insurance Co. Ltd.,
11. The Liverpool & London & Globe Insurance Co. Ltd.,
12. The Central Insurance Co. Ltd.,
13. The South British Insurance Co. Ltd.,
14. The Alliance Assurance Co. Ltd.,
15. The Sun Insurance Office, Ltd..

SCHEDULE II

Specific Matters in Dispute

All the demands contained herein below shall apply equally to all the employees employed in the following Companies :

- The Guardian Assurance Co. Ltd.,
- The Caledonian Insurance Co.,
- The Commercial Union Assurance Co. Ltd.,
- The Home Insurance Co.,
- The Legal & General Assurance Society Ltd.,
- The Northern Assurance Co. Ltd.,
- The Employers Liability Assurance Corpn. Ltd.,
- The Phoenix Assurance Co. Ltd.,
- The Royal Insurance Co. Ltd.,
- The London & Lincashire Insurance Co. Ltd.,
- The Liverpool & London & Globe Insurance Co. Ltd.,
- The Central Insurance Co. Ltd.,
- The South British Insurance Co. Ltd.,
- The Alliance Assurance Co. Ltd.,
- The Sun Insurance Office Ltd.,

I. *Classification of Employees:*

The employees will be classified into the following categories:—

- (a) Sweepers, Sepoys, Chaprasis, Malis, Watchmen, Daftaries and Head Peons shall be placed in Grade "A".
- (b) Drivers, Liftmen and Oilmen shall be placed in Grade "B".
- (c) Assistants, Telephone Operators, Addressing Machine Operators, Book Binders, Punch-card Operators, Typists, Receiving and Paying Cashiers, Adrema-Bradma-Power Samas-Comptomter-Hollerith—IBM Machine Operators, Air Conditioning Mechanics and Electricians shall be placed in Grade "C".
- (d) Junior Supervisory Staff variously termed as Higher Grade Assistants, Special Assistants, Senior Assistants, Head Typists, Senior Cashiers, Stenographers, Draughtsmen, etc, shall be placed in Grade "D".
- (e) Senior Supervisory Staff, variously termed as Superintendents, Assistant Superintendents, Head Clerks, Sectional Heads, Branch Accountants, shall be placed in Grade "E".

II. Scales of Pay :

Grade A : Rs. 120-5/6-150-6/7-192-8/6-240 in 19 years.

Grade B : Rs. 180-6-/2-192-8/6-240-10/3-270 in 11 years.

Grade C : Rs. 200-10/4-240-15/10-390-20/4-470 in 18 years.

Grade D : Rs. 275-15/5-350-20/5-450-25/5-575 in 15 years

Grade E : Rs. 350-30/6-530-40/4-690 in 10 years.

III. Dearness Allowance:

Dearness Allowance shall be paid at the rate of $1\frac{1}{2}$ per cent. of basic pay for every rise of 5 points over the cost of living index figure of 360 (1934-100 points) subject to a minimum of Rs. 20.

The Bombay working class Consumers Price Index shall be taken as the basis for calculating the Dearness Allowance.

IV. Adjustments:

An employee shall be fitted into the new scales on a point to point basis. The basic pay and the dearness allowance as on 31st December 1962 shall be treated as basic pay only for the purpose of adjustment of basic pay to the new scale of pay.

If an employee is drawing more basic pay than what is warranted after proper adjustment as above, shall continue to receive the excess amount as personal pay and shall be also given usual annual increments.

V. Special Allowance:

Employees engaged in work mentioned below and/or designated as below shall be entitled to Special Allowances per mensem in addition to their salaries and emoluments in the manner stated below:—

- (a) Watchmen, Bank Peons, Despatch Peons, Head Peons, Daftaries, Farnking Machine and Duplicating Machine Operators and such other employees: Rs. 20 per month.
- (b) Typists, Comptometer Operators, Addressograph Operators Punch Card Operators, Telephone Operators, Paying and Receiving Cashiers and Cashiers, Adrema-Bradma & Power Samas Hollerith and IMB Operators and such other employees: Rs. 30 per month.

VI. Special Increments:

Besides the above, the employees under Grades "C" and "D" shall be entitled to Special Increments for passing the following examinations on the scale shown against each examination.

On Graduation 2 increments.

On passing the following examinations :—

- | | |
|--|------------------------------|
| 1. Licentiate or A.C.I.I. Part I | } 1 increment for each part. |
| 2. A.F.I.I. Part I or A.C.I.I. Part II | |
| 3. A.F.I.I. Part II or A.C.I.I. Part III | |
| 4. Chartered Accountant | |

N.B.—In case of Stenographers and Junior Supervisory Staff the total number of special increments shall not exceed three during that Grade. A Graduate appointed as an Assistant shall get a higher starting salary by two increments. Those graduate Assistants who have not received the Graduation increments shall also get two increments.

VII. Other Allowances:

(a) *Overtime Allowance*.—An employee working overtime shall be entitled to overtime allowance for such period of work rendered at the rate of double the hourly rate of wages inclusive of Special Allowance and all other allowances. No employees shall be engaged in for overtime work for more than 90 hours in a calendar year.

(b) *Officiating Allowance*:

- (i) If an employee is required to officiate in a higher post, he shall be entitled to an "Acting Allowance" at the rate of 20 per cent. of his salary for the period for which he officiates.
- (ii) If an employee is required to act in a post for which Special Pay is provided, he shall be entitled to pro-rate special allowance for the period of such work done.

(c) *House Rent Allowance*.—All the employees shall be paid as "House Rent" a sum at the rate of 10 per cent. of their Basic salary per mensem, subject to a minimum of Rs. 20.

VIII. *Amenities:*

Subsidies:

- (i) Text Books for ACII or Federation of Insurance Institute Examination shall be supplied by the Company in turn. Examination fee shall be paid by the employer after the employee passes the examination.
- (ii) Adequate subsidy shall be given for Sports, Recreation and Cultural Activities of the employees.
- (iii) All the employees shall be entitled to a Free Personal Accident (Annual) Policy, the premiums of which shall be borne by the employers. The sum assured of such a policy shall be Rs. 10,000, Rs. 7,500, Rs. 5,000 and Rs. 2,500 for the employees in Grades E, D, C, B and A respectively.
- (iv) Adequate subsidy shall be given for cheap canteens for supply of wholesome food to the employees in each of the office premises.

IX. *Free Medical Aid:*

All the employee shall be entitled to free medical aid for selves and their dependents. All the cost of hospitalisation, medicines and doctors' bills shall be borne by the employers.

X. *Gratuity:*

On retirement, or retrenchment or on death or on total and permanent disability of an employee while in the service of the Company:

One month's basic salary for each year of continuous service subject to a maximum of 20 months basic salary.

On resignation from service after completion of 10 years continuous service:

One month's basic salary for each year of continuous service subject to a maximum of 20 months basic salary.

On termination of service by the Company :

One month's basic salary for each completed year of service but not more than 20 months basic salary.

The salary for the purpose of calculating Gratuity shall be the terminal basic salary drawabale by the employee previous to death, disablement, retirement, resignation, retrenchment or termination of service as the case may be.

XI. *Retirement Age:*

The age of retirement of an employee shall be 60 years.

XII. *Provident Fund:*

(i) All permanent employees including part-time employees should be made members of the Provident Fund.

(ii) The rate of contribution should be $8\frac{1}{3}$ per cent. of the total emoluments, i.e. basic pay plus dearness allowance plus special allowances, if any, with equal contribution by the Company. The employees should however, be allowed to contribute voluntarily upto 15 per cent. of their salary without corresponding contribution from the Company.

(iii) Interest at a minimum rate of $4\frac{1}{2}$ per cent. should be paid on the total contribution by the employees and the company.

(iv) Unclaimed fund should be distributed *pro-rata* every three years amongst the existing employees from time to time.

(v) Full benefits of the Fund should be permitted to the employees on completion of five years of service.

(vi) Loan from the Provident Fund to the extent of 6 months salary or 90 per cent. of the employees' contribution whichever is less shall be granted to the employees at a time.

Board of Trustees.—On the Board of Provident Fund Trust, the employees and the employers should have equal number of representatives. The employees' representatives should be elected by themselves by simple majority of votes. Re-election of the employees' representatives should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.

XIII. Leave:

Casual Leave.—15 days casual leave should be given in a calendar year. 6 days casual leave be granted at stretch. Casual leave may be prefixed & suffixed to holidays and Sundays.

Privilege (Earned) Leave.—Privilege leave should be allowed to all employees at the rate of 1 days for every 11 calendar days. Employees should be allowed to accumulate leave upto 6 months. Return fare to the employee, his wife and dependents should be granted once in two years for going anywhere in India.

Sick Leave.—Thirty days sick leave per year should be allowed on full pay to the employees with a maximum accumulation of 12 months during the service period.

In case of prolonged illness further sick leave with half pay should be allowed upto six months and another six months without pay.

Maternity Leave.—Maternity leave upto the period of three months shall be allowed to all female employees; but in no case more than six weeks leave will be allowed from the date of confinement.

Examination Leave.—Employees shall be allowed adequate leave for appearing in all the recognised examinations in addition to all other level.

Special Leave.—Adequate leave shall be allowed to the Union Representatives and Office Bearers of the All India Insurance Employees' Association and/or its affiliated Units to enable them to attend meetings and conferences of the Unions and their Central Organisations and to participate in the Tribunals and Conciliation Proceedings.

XIV. Security of Service:

No employee shall be victimised for trade union activities.

XV. Working Hours:

The working hours for employees in Grades C, D & E shall be 33 hours a week and 36 hours for employees in Grades A & B. A grace time of 15 minutes shall be allowed before they are marked late.

XVI. Bonus:

Customary.—Employees shall be paid three months basic salary as Bonus per year.

XVII. Uniforms to Employees in the Grades A and B:

An employee of Grade A & B shall be provided with the following outfit annually:—

1. Summer Uniform: Three Sets.
2. Umbrella: One.
3. Footwear: Two Pairs.
4. Rain Coat: One for those who are to do out-door duties.
5. Caps or Turbans.

XVIII. Allowance during Suspension:

During the suspension of an employee, he shall be paid an allowance equal to 75 per cent. of his total wages.

XIX. Recruitment:

Recruitment shall be made from amongst the retrenched employees of the General Insurance Industry, registered in the pool as demanded in the resolution adopted in the All India Convention of General Insurance Employees held on the 15th and 16th August, 1960 in Bombay under the auspices of the All India Insurance Employees' Association. Only in case such employees are not available in the Pool, recruitment might be made through local employment Exchanges. In case of recruitment from among the retrenched employees' due credit shall be given to the past service and all restriction regarding age, educational qualifications, etc. applicable to new recruits shall be waived.

XX. Confirmation:

Employees shall be confirmed after 3 months probationary service automatically.

XXI. Temporary Staff:

Any Company may employ temporary employees for performing duties of purely temporary nature. But such staff in no instance shall exceed more than 6 months in temporary service, after which he shall be treated automatically in permanent service, from the date of appointment.

XXII. Promotion:

No direct recruitment shall be made in Grade D & E and all vacancies in these Grades shall be filled in by way of promotion. The promotions shall be made by way of promotion. The promotions shall be made on the basis of seniority and merits of the employees. Employees in Grades A & B shall be absorbed in Grade "C" on passing S.S.C., S.S.L.C. or equivalent examinations.

XXIII. Transfer:

No employee shall be transferred from one place to another without his prior consent.

XXIV. Date of Effect:

All benefits stated in this Charter of Demands shall effect from the date or dates mentioned in the Memorandum of Settlement dated 12th September, 1964.

XXV. Trade Union Rights:

The All India Insurance Employees' Association and its affiliated Units shall be given due recognition and such facilities as providing Trade Union Offices and holding Trade Union Meetings in Office premises and hanging Notice Board of the Union should be granted.

XXVI. Existing Rights and Privileges:

Nothing contained in this Charter shall adversely affect or take away from any employee or group of employees any right, privileges or usages, practice or conventions, amenities or other conditions of service that are already vested in or enjoyed by such employee or group of employees.

2. Later on by order No. 22/8/68-LR/III dated 25th November 1968 the Central Government transferred this reference to this Tribunal No. 2, for adjudication.

3. The 15 insurance companies referred to above have filed written statement on 27th February, 1965. The statement of claim on behalf of the employees in the company has been filed by Shri K. S. B. Pillai, General Secretary, General Insurance Employees' Union, Bombay in February, 1965.

4. In respect of demand No. 11 regarding retirement age out of the 26 demands referred to above, Award Part I was given by me on 1st July 1969.

5. The 15 Insurance companies referred to above and the representative of the Union have affected settlement alongwith other Insurance compnaies over the demands of the employees. Considering the terms of settlement marked as Annexure 'A' and the demands made by the employees, it appears to me that their service conditions and pay scales have been improved. The improvements are quite fair and reasonable. I, therefore, accept the same.

6. It may be noted that out of the 26 demands made by the employees of the 15 Insurance Comapnies, the dispute over demand Nos. 10 and 12 regarding Gratuity and Provident Fund respectively, in respect of the employees of M/s. Home Insurance Co. has not been settled by the parties. The case has to be heard in respect of M/s. Home Insurance Co. regarding demand Nos. 10 and 12 i.e. Gratuity and Provident Fund. In respect of the remaining demands settlement has been made. I, therefore, pass the following order:—

ORDER

- (i) Award Part II in terms of settlement marked as Annexure 'A' is made.
- (ii) Settlement marked as Annexure 'A' is to form part of this Award.
- (iii) Reference in respect of M/s. Home Insurance Co. is fixed hearing in respect of demand No. 10 Gratuity and demand No. 12 Provident Fund.
- (iv) No order as to costs.

(Sd.) N. K. VANI,
Presiding Officer,
Central Government Industrial
Tribunal No. 2, Bombay.

ANNEXURE 'A'

*Memorandum of Settlement**Names of Parties :**Representing Employers :*

| | |
|---------------------------|---|
| Mr. S. E. Dalvie | Commercial Union Assurance Co. Ltd., Bombay. |
| | The Northern Assurance Co. Ltd., Bombay. |
| | The Employers' Liability Assurance Corpora- tion Ltd., Bombay. |
| Mr. J. S. Bramley | The South British Insurance Co. Ltd., Bombay. |
| Mr. J. N. Engineer | Royal Insurance Co. Ltd., Bombay. The London & Lancashire Insurance Co. Ltd., Bombay. The Liverpool & London & Globe Insurance Co. Ltd., Bombay. The Central Insurance Co. Ltd., Bombay. |
| Mr. K. Narayan | Guardian Assurance Co. Ltd., Bombay. Caledonian Insurance Co., Bombay. |
| Mr. P. B. Dastur | The Home Insurance Co., Bombay. |
| Mr. J. P. S. P. Fernandes | Legal & General Assurance Society Ltd., Bombay. |
| Mr. C. A. Shah | Phoenix Assurance Co. Ltd., Bombay. |
| Mr. S. K. Divecha | Alliance Assurance Co. Ltd., Bombay. Sun Insurance Office Ltd., Bombay. |
| Mr. A. Monteiro | The New Zealand Insurance Co. Ltd., Bombay. |
| Mr. M. M. Chakrabarty | Atlas Assurance Co. Ltd., Bombay. Royal Exchange Assurance, Bombay. |
| Mr. S. R. Sanjana] | Eagle Star Insurance Co. Ltd., Bombay. |
| Mr. K. M. Dastur | Norwich Union Fire Insurance Society Ltd. Bombay. |
| | The Scottish Union & National Insurance Co., Bombay. Maritime Insurance Co. Ltd., Bombay. |

Representing Employees :

| | |
|---------------------|--|
| Mr. K. S. B. Pillai | The General Secretary, The General Insurance Employees' Union, Western Zone, Bombay, Bombay. |
|---------------------|--|

This Settlement made this 30th day of October, 1969 between the Companies mentioned above and the workmen employed by the respective Companies in Bombay.

Whereas the General Insurance Employees' Union, Western Zone, Bombay (hereinafter referred to as "the Union") submitted Charters of Demands on behalf of the workmen employed by the respective Companies.

And whereas the Charters of Demands were referred by the Central Government to Industrial Tribunal for adjudication being Reference CGIT Nos. 2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968.

And whereas the workmen were paid interim relief pending adjudication of the demands under their respective agreements as a result of negotiations between the parties from time to time and in some cases by an award of the Tribunal.

And whereas pursuant to further negotiations the parties have arrived at the following settlement to the intent that it will be binding on the parties under Section 18 of the Industrial Disputes Act, 1947 (hereinafter referred to as "the Act").

Terms of Settlement

1. *Commencement of the Settlement.*—This settlement shall apply to all the workmen employed by the companies in Bombay with effect from 1st May 1968, except where stated to the contrary.

2. *Scales of Pay.*—The following shall be the scales of pay.

(a) *Clerical Staff :*

(i) *General Clerical Grade :*

Rs. 100—7 1/2—130—10—210—15—270—E.B.—15—300—20—400

(ii) *Run off Grade :*

Rs. 165—15—240—20—400—25—450.

(iii) *Special Clerical Grade:*

Rs. 270—20—350—25—550.

(iv) *Stenographers.*—At present employed in Commercial Union Assurance Co. Ltd., only. Rs. 165—15—240—20—400—25—425 (Run Off Grade).

In case of new appointments of Stenographers in all Companies (including Commercial Union Assurance Co. Ltd.), they will be given two additional increments at the start of the General Clerical Grade, i.e. they will be started on Rs. 115/- per month, but will otherwise progress in accordance with the stages in the General Clerical Grade.

(v) *Graduates.*—Similarly in the case of new appointments. Graduates will be given two additional increments at the start of the General Clerical Grade, i.e. they will be started on Rs. 115/- per month.

(b) *Subordinate Staff:*

(i) *Peons/Bearers, Hamals, Liftmen, Watchmen, Oilmen, etc.* Rs. 35—3—53—4—77—5—102.

NOTE: Workmen earning a basic salary of Rs. 77/- per month or more after being fitted into the new scales of pay as laid down in clause 3 below will continue to receive an annual increment of Rs. 5/- up to a maximum basic salary of Rs. 112/- per month instead of Rs. 102/- as prescribed above.

(ii) *Drivers.*—For Drivers already in employment: Rs. 75—5—140—6—170.

New appointments will be made in the grade of Rs. 75—5—150.

3. *Fitment in the grade and adjustment.*—It is agreed that the basic salaries as on 30th April 1968 of the clerical and subordinate staff will be fitted into the revised basic salary scales coming into force from 1st May 1968 in the following manner:—

Clerical Staff

(i) with the exception of workmen employed by the New Zealand Insurance Co. Ltd., each company will add a sum of Rs. 10 to the basic salary of a workman existing on 30th April 1968. The basic salary so arrived at will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale. Thereafter, each workman will receive one increment in the scale.

(ii) In the case of workmen employed by the New Zealand Insurance Co. Ltd., basic salaries of workmen existing on 30th April 1968 will be fitted into the

revised scale at the nearest higher step, if it is not a step in the revised scale and they will not be entitled to Rs. 10 and/or any increment.

(iii) Adjustments under (i) and (ii) above are subject to the condition that workmen shall not exceed the maximum of their respective revised scales.

Subordinate Staff

(a) With the exception of workmen employed by the New Zealand Insurance Co. Ltd., and those mentioned in clause (b) hereunder, to the basic salary of each workman existing on 30th April 1968 shall be added an amount equal to the difference between the minimum of his existing scale and the minimum of his revised scale. After adding the said difference to the basic salary of the workman he will be fitted into the revised scale at the nearest higher step if it is not a step in the revised scale. Thereafter each workman will receive one scale increment in the revised scale.

(b) Workmen employed by the Companies other than those employed by the New Zealand Insurance Co. Ltd., whose existing basic salary scales have a minimum equal to or higher than the minimum of the revised scale will receive two scale increments by way of adjustment increments after their basic salaries are fitted in the revised scale at the nearest higher step if it is not a step in the revised scale.

(c) In the case of the New Zealand Insurance Co. Ltd., however, that Company agrees that workmen at present in the employment of the Company will be fitted in the revised scales at their respective stage in the existing scale on 30th April 1968, that is to say, if a workman is at the fifth stage of the existing scale, he will be fitted at the fifth stage of the revised scale and so on.

The difference between the basic salary received by them under the existing scale and the basic salary received by them under the revised scale will continue to be paid to the workmen as 'personal pay'. Such personal pay will not attract dearness allowance, but will be deemed to be basic salary for all other purposes.

Workmen in the New Zealand Insurance Co. Ltd., however, will not be entitled to any increment by way of adjustment increment.

(d) Adjustments under (a), (b) and (c) above are subject to workmen not exceeding the maximum of their respective scales.

(e) Notwithstanding anything contained above, it is agreed that in the event of the emoluments received by a workman in the subordinate staff under this settlement as on 1st May 1968 being less than the emoluments received as on 30th April 1968, the Companies agree to pay to that workman the actual difference plus a sum of Rs. 10 as "Personal Allowance" for a period commencing on 1st May 1968 and ending on 30th September 1969, both of which will cease to be paid thereafter.

However, in the case of a workman in the subordinate staff to whom the above paragraph has been applied, in the event of his emoluments as on 1st October 1969 under this agreement being less than the emoluments received on 30th September 1969 under his former terms and conditions of service, the Companies agree to pay to that workman the actual difference between his former emoluments on 30th September 1969 and his emoluments under this agreement as from 1st October 1969 plus a sum of Rs. 10 as "personal allowance" for a period commencing 1st October 1969 and ending on 31st December 1970 both of which will cease to be paid thereafter.

However, it is further agreed that in the event a workman in the subordinate staff to whom the above two paragraphs have been applied is on 1st January 1971 still receiving less emoluments than he was receiving on 30th September 1969 under his former terms that workman will be given a flat sum of Rs. 75 in the month of January 1971 in addition to his basic salary and D.A. for that month payable hereunder and thereafter that workman will receive basic salary and D.A. as otherwise provided hereunder.

(f) In the event of the emoluments received by a member of the subordinate staff as on 1st May 1968 under this settlement being less than Rs. 10 in excess of

the emoluments received by him on 30th April 1968, the Company concerned agrees to pay to that workman the difference between the excess and Rs. 10 as "personal allowance" for a period of 12 months only commencing 1st May 1968, which will cease to be paid after 30th April 1969.

(g) For the purpose of clause (e) and (f) above, the emoluments as on 30th April 1968 shall be deemed to be the basic salary plus dearness allowance plus interim relief less provident fund contribution, if any. Emoluments received as at 1st May 1968 shall be deemed to be the basic salary including any adjustment increments hereunder plus dearness allowance thereon less provident fund contribution, if any, at the new rates.

(h) The personal allowance payable to workmen in terms of clause (e) and (f) will not attract dearness allowance in terms of clause 4 herein below, nor will it be taken into account for any other purpose.

Norwich Union Fire Insurance Society Ltd.

The Scottish Union & National Insurance Co.

Maritime Insurance Co. Ltd.

Nothing above written in respect of the fitting in the grade and adjustment of the clerical and subordinate staff will apply to the Norwich Union Fire Insurance Society Ltd., The Scottish Union & National Insurance Co., and Maritime Insurance Co. Ltd. Workmen in the clerical and subordinate staff will in lieu of all fitting in and adjustment receive with effect from 1st May 1968 basic salaries as set out against their names in schedule "B" attached hereto. On these basic salaries, dearness allowance at the Index No. 731—740 as shown in paragraph 4 "Dearness Allowance" of this settlement will be calculated and the resulting total will be the basic salary and D.A. effective from 1st May 1968.

4. *Dearness Allowance.*—Dearness Allowance shall be paid to the clerical staff and subordinate staff in accordance with the following scheme:

| Basic Salary | The Working Class Variation for 10 points Consumer Price Index in Bombay Number 731—740 (1934-100) | | rise or fall |
|----------------|---|--|--------------|
| Re. 1 to 100 | 240% | | 5% |
| Rs. 101 to 200 | 120 % | | 2 1/2% |
| Rs. 201 to 550 | 60 % | | 1 1/4 % |
| Minimum D.A. | Rs. 145 | | Rs. 3/- |

Provided, however, that the maximum dearness allowance payable to the subordinate staff at the Index 731—740 shall not exceed Rs. 300 per month. The subordinate staff, however, will be entitled to the benefit of the variation of the index by 10 points and the maximum dearness allowance payable shall increase or decrease in accordance with the percentage applicable to his salary on the basis of the index. For example, if a member of the subordinate staff at the index 731—740 is earning a salary of Rs. 150, the maximum dearness allowance payable to him will be Rs. 300. If the index is in the range 741—750, the maximum dearness allowance increase correspondingly, i.e. Rs. 300 plus Rs. 5 plus Rs. 1 1/4 equivalent to Rs. 306 1/4. The maximum will correspondingly decrease if the range of the index is 721—730.

Provided further that workmen drawing basic salary of over Rs. 550 per month shall not be entitled to dearness allowance on that portion of the basic salary over Rs. 550.

For administrative convenience the Consumer Price Index for the Working Class in Bombay on which dearness allowance will be calculated shall be the last available Index published by the Government of Maharashtra and notified by the Bombay Chamber of Commerce & Industry a week prior to the date of the disbursement of the salaries.

5. *Classification*.—The Classification of clerical staff into different grades will be as mentioned in Schedule "A" attached hereto.

6. *Special Allowance*.—The existing practice in the respective Companies of granting special allowance, if any, to workman will continue.

7. *Insurance Examinations*.—The existing arrangement in the respective companies for rewarding the staff on passing the Insurance Examinations shall continue.

In case of Atlas Assurance Co. Ltd. the scheme applicable to workmen employed by the Guardian Assurance Co. Ltd., Bombay will be adopted.

8. *Other Allowances* (a) *Overtime Allowance*.—The existing arrangements regarding payment of overtime in the respective companies will continue. It is further agreed that no additional payment on account of overtime, if any, done by workmen prior to the date of signing this settlement will be due or claimed by the workmen as a result of the revision of wages or dearness allowance under this settlement with effect from 1st May 1968.

(b) *Officiating Allowance*.—The existing practice, if any, regarding officiating allowance in the respective companies will continue.

9. *Medical Aid*.—Medical aid to reimburse a workman for medicines and/or treatment prescribed by a registered medical practitioner in respect of the workman's own treatment only shall be granted to permanent workmen as follows:

(a) The Company shall reimburse to their respective workmen as aforesaid the full expenses towards such prescribed medicines and/or treatment including doctor's fees and consultation charges up to a maximum of Rs. 100 in a calendar year;

(b) For expenditure in excess of Rs. 100 the Companies will reimburse to their respective workmen as aforesaid 90 per cent of the medical expenses incurred; provided, however, that the total medical aid granted to a workman as aforesaid shall not exceed Rs. 150 in any one calendar year.

The workmen under this clause shall be reimbursed on presentation of medical bills accompanied by a certificate from a registered medical practitioner whose treatment was availed of by the workman during illness.

10. *Gratuity*.—All Companies shall introduce the following gratuity scheme with effect from 1st May 1968.

Gratuity shall be paid to permanent members of the clerical and subordinate staff (excluding part-time or temporary employees) subject in all cases up to a maximum of 18 months last basic salary at the following rate:—

(a) On normal retirement on reaching the age of superannuation or at death or on permanent total incapacity at the rate of one month's last basic salary for every completed year of continuous service. The balance of uncompleted year of service in excess of six months shall be treated as one year.

(b) On voluntary retirement or resignation from service—

| | |
|---|---|
| After 10 years but less than 15 year of continuous service. | 50% of the last basic salary for every completed year of service. |
| After 15 years of continuous service | 75% of the last basic salary for every completed year of service. |

(c) On termination of service by the employer, gratuity shall be paid as the following scale—

| | |
|--|---|
| (i) Upto and including 10 years of continuous service. | 50% of one month's last basic salary for every completed year of service. |
| (ii) After completing 10 years but up to and including 15 years of continuous service. | 75% of one month's last basic salary for every completed year of service. |
| (iii) Over 15 years of continuous service | One month's last basic salary for every completed year of service. |

NOTE.—(i) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.

(ii) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

However, in case of such Companies wherein a gratuity scheme is at present in existence, every member of the clerical or subordinate staff shall be given an option to choose within two months from the date of signing of this agreement between the existing gratuity scheme with amendments given herein below or revised gratuity scheme set out herein above.

The existing gratuity schemes are deemed to be amended as follows:—

(i) The maximum amount of gratuity payable under such scheme will be 18th months last basic salary.

(ii) The clauses regarding non-payment of gratuity, either wholly or partially, on account of termination due to misconduct shall be abolished and the following provisions will apply:—

(a) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.

(b) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable, in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

The option once made by the employee will thereafter be irrevocable.

The employees whose services have come to an end for any reasons whatsoever after 1st May 1968, will also be allowed to make an option within three months of the signing of this settlement. In case such termination is due to death, the option should be allowed to be made by the legal heir or administrator of such employee.

11. *Retirement Age.*—The Awards of the Central Government Industrial Tribunal made in the year 1969 in respect of retirement age in the concerned Companies shall apply.

12. *Provident Fund.*—It is agreed that as soon as practicable after this settlement is signed and the Income-tax Commissioner has given his approval, the Companies concerned will, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices, amend the existing Provident Fund Rules to provide for contribution at the rate of 6½ per cent of the basic salary and dearness allowance by both the employer and workmen.

Subject to the Income-tax Commissioner giving his approval, the proposed amendment to the Provident Fund will come into effect from 1st May 1968.

Notwithstanding anything written above in the case of Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co. and Maritime Insurance Company Ltd., these Companies, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices will amend its Provident Fund Rules to provide for contribution at the rate of 6½ per cent of the basic salary and dearness allowance by both the employer and the workmen with effect from 1st October 1969. Employees who have opted for the existing Pension Scheme will not be entitled to become members of the Provident Fund.

13. *Tiffin Allowance.*—With effect from 1st May 1968, tiffin allowance of Rupee one per day for each member of the clerical and subordinate staff on every full working day (Saturdays, Sundays, Leave and Holidays excluded) when he attends office will be paid. The tiffin allowance may be paid in cash to a Tiffin Committee appointed by the employees' Union. Such payment will be made on the basis set out above, up to 5 days prior to the normal date the Company disburses salaries for the same month and will be disbursed on the latter date.

14. (A) **Leave.**—Workmen will be granted the following quantum of leave in accordance with the rules existing in the respective Companies.

(a) **Casual leave.**—Up to 10 days in a year with full pay.

(b) **Privilege leave.**—30 days leave with pay per annum with accumulation as at present in respective Companies.

(c) **Sick Leave.**—Sick leave will be granted on production of a medical certificate from a Registered Medical Practitioner.

Applications for sick leave must be made immediately and supported by a medical certificate in respect of any absence exceeding 3 days.

In the event of circumstances prevailing making it impossible to arrange for verbal notification or despatch of a post card on the first day of absence, a post card should be despatched or verbal information given as soon after as is possible, and on return to the office, the reasons for earlier advises not having been possible shall then be provided.

The Company reserves the right to require an employee to be examined by a doctor of its own choice at the Company's expense

The entitlement of sick leave will be as follows:—

- (i) Subject to the modifications in clause (ii) below each permanent member of the clerical and subordinate staff shall be entitled to sick leave with full pay for a maximum of 30 days for each completed year of service and subject to an over all maximum of 360 days during the whole of his service with the Company.
- (ii) Notwithstanding the general principle laid down in clause (i) above, in cases of those existing members of the permanent clerical and subordinate staff who were over 32 years of age on 1st May 1968, the maximum amount of sick leave in the remaining period of their service with the Company shall be in accordance with the following scale:

| Age on 1-5-1968 | Maximum amount of sick leave on full pay |
|---------------------------|--|
| Over 32 years to 37 years | 300 days |
| 38 „ „ 42 „ | 270 days |
| 43 „ „ 52 „ | 210 days |
| 53 „ „ retirement | 150 days |

In cases of protracted illness involving hardship, sick leave beyond the limits laid down above may be granted at the sole discretion of the Company.

Accumulated privilege leave may be adjusted against sick leave already expended in blocks of 7 days or multiples of 7 days at a time but privilege leave thus adjusted cannot thereafter be converted back.

NOTE.—Notwithstanding what is stated above, temporary workmen and workmen on probation who may be in the employ of the Companies for 90 continuous days or more will only be granted leave as per the provisions of the Bombay Shops and Establishments Act but the quantum of leave will be at the rate of 30 days per year of service or pro rata.

14. (B) **Maternity Leave.**—A married female worker shall be granted maternity leave with full pay for not exceeding six weeks before confinement and not exceeding six weeks after confinement. The birth of a child or a miscarriage certified by a medical practitioner must be notified to the Company within one week of the event. Maternity leave will be granted up to a maximum of three occasions during the entire period of the service of the worker with the Company.

15. **Public Holiday.**—The practice existing in the respective Companies shall continue.

† 16. **Working Hours.**—The existing working hours for different categories of staff shall continue.

17. **Bonus.**—Subject to the approval of Government or any other competent authority, if required, it is agreed that an annual bonus equivalent to two months' basic salary shall be paid to all workmen covered by this settlement on the same basis as exists in the respective Companies, until such time as the provisions of the Payment of Bonus Act, 1965, are made applicable to the Companies, when bonus will be governed by the provisions laid down in that Act.

18. **Uniforms to Subordinate Staff.**—The existing practice of granting uniforms to the subordinate staff in the respective Companies shall continue. Where subordinate staff are not at present supplied with footwear they will be granted at least one pair of chappals every two years.

19. **Allowance during Suspension.**—The existing provisions, if any, in the respective Companies of granting an allowance during suspension of a workman shall continue.

20. **Confirmation.**—The normal probationary period will be six months and at the end of this period a probationer will be considered as confirmed to the permanent staff unless the Company notifies the employees concerned in writing that his work is not satisfactory and that his probationary period has been extended by three months more for further trial.

Nevertheless, at any time during the probationary period, a probationer may be confirmed to the permanent staff, or may have his services terminated on notice as per the Bombay Shops and Establishments Act being given (or pay in lieu thereof) at the discretion of the management, if his conduct or service is found unsatisfactory.

21. **Payment for the Outstanding Period.**—(A) The companies will make lump sum payments at the following rates to workmen for their respective outstanding periods, subject to the conditions mentioned below:

| | | | | |
|-------------------|---|---|---|--|
| 1963 | . | . | . | 10% of basic pay plus D.A. earned during the relevant period. |
| 1964 | . | . | . | 12 1/2% Do. |
| 1965 | . | . | . | 15% Do. |
| 1966 | . | . | . | 15% of basic pay plus D.A. earned during the relevant period plus 15% of monthly allowance for insurance examiners drawn from 1st September 1966 where applicable. |
| 1967 | . | . | . | 17 1/2% of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the year. |
| 1-1-68 to 30-4-68 | . | . | . | 20% of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the period. |

(B) The above payments shall be subject to the following conditions:

(1) The payments will be calculated from the date mentioned below against each Company up to 30th April 1968. Where payment is due for a part of the year, it will be calculated on a pro-rata basis.

| | |
|---|----------------------------|
| (a) The South British Insurance Co. Ltd., and Phoenix Assurance Co. Ltd. | From 1-1-1963 to 30-4-1968 |
| (b) Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd., The Employers Liability Assurance Corporation Ltd., Alliance Assurance Co. Ltd., Sun Insurance Office Ltd., Guardian Assurance Co. Ltd., Caledonian Insurance Co., The Home Insurance Co., Royal Insurance Co. Ltd., The London & Lancashire Insurance Co. Ltd., The Liverpool & London & Globe Insurance Co. Ltd., The Central Insurance Co. Ltd. and Eagle Star Insurance Co. Ltd. | From 1-9-1963 to 30-4-1968 |

| | |
|--|-----------------------------|
| (c) Legal & General Assurance Society Ltd. | From 1-7-1963 to 30-4-1968 |
| (d) Atlas Assurance Co. Ltd. and Royal Exchange Assurance | From 22-3-1965 to 30-4-1968 |
| (e) The New Zealand Insurance Co. Ltd. | From 18-2-1965 to 30-4-1968 |
| (f) Norwich Union Fire Insurance Soc. Ltd., The Scottish Union & National Insurance Co., Maritime Insurance Co. Ltd. | From 9-2-1964 to 30-4-1968 |

(ii) Notwithstanding any previous agreements/settlements to the contrary the interim reliefs paid by the Companies during the aforesaid period will be deducted from the amounts payable under sub-clause (A) of clause 21 and the balance after making deductions towards income-tax will be paid to the workmen.

(iii) In consideration of the payments mentioned in this clause, the workmen will have no claim for revision of wages or other conditions of service or any other claim for the period prior to 1st May 1968.

(iv) The lump-sum payments made under this clause shall not attract deductions towards provident fund or payments towards overtime, leave salary, bonus or any other payment.

22. *Calculation of Arrears.*—(i) for the purpose of calculating the arrears in respect of basic salary and D.A., from 1st May 1968 the total monthly earnings (basic pay and dearness allowance but excluding overtime, if any earned) payable under this settlement will be worked out and the total monthly earnings (basic pay and dearness allowance including the interim reliefs but excluding overtime, if any earned) of the respective workmen for the above mentioned period will be deducted and the balance will be paid to the respective workmen as arrears, payable under this settlement.

(ii) The arrears payable under this settlement from 1st May 1968 in respect of bonus and tiffin allowance shall be paid separately.

(iii) provided, however, that the payments referred to in sub-clauses (i) and (ii) will be made after deducting any sums due on account of income-tax and or provident fund.

23. The interim relief payments made by the Companies shall be discontinued as soon as wages and D.A. are paid in accordance with this settlement.

24. *Withdrawal of the Demands.*—In consideration of this settlement all demands which are subject matter of dispute in Ref. CGIT-2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968 and which are not covered by this settlement shall be deemed to have been withdrawn and the workmen shall not agitate in respect of the said demands during the period this settlement is in force.

25. *Period and Scope of Settlement.*—(i) The above settlement shall remain in force upto 30th April 1971. The settlement shall continue to remain in force thereafter until it is terminated by either party by giving a notice in writing of two months.

(ii) The settlement will be applicable only to all full-time workmen for whom grades are fixed under this settlement and who were in the service of the Company on 1st May 1968 or thereafter.

(iii) However, monetary benefits, if any, accruing under clause 21 of this settlement shall be paid to all those workmen who were in the employment during the relevant period, prior to the date of this settlement. In the case of workmen who have died, the benefit will be paid to their legal representatives.

26. *General.*—(i) All payments accrued to the credit of the workmen as a result of this settlement shall be paid as early as possible but not later than one month from the date of this settlement.

(ii) Any dispute arising out of the interpretation of any clause of this settlement shall be settled between the parties to the dispute by mutual discussions. Failing settlement the parties will resort to the provisions of section 36A of the Act.

(iii) This settlement is arrived at with the sincere intention of maintaining cordial relations between the workmen and the Companies. The Companies and the workmen shall carry out the terms of this settlement in its true spirit.

(iv) The parties shall make applications before the Central Government Industrial Tribunal before whom the disputes are pending to make an Award in terms of this settlement. The parties shall also send copies of this settlement reached under Section 18(3) read with section 2(p) of the Act to the various authorities prescribed under the Act.

27. *Special Provision.*—Notwithstanding anything contained hereinabove, it is agreed that provident fund and gratuity provided in clauses 10 and 12 of the settlement shall not apply to the New Zealand Insurance Co. Ltd. and the Home Insurance Co. whose forms of retiral benefits will be the subject of the separate negotiations with the Union. In the event parties fail to reach a settlement these matters will be decided by the Industrial Tribunal before whom the disputes are pending. Pending the outcome of such negotiations or decision of the Industrial Tribunal, existing Provident Fund and/or Gratuity Schemes, if any, in these Companies will continue.

28. *Existing Rights & Privileges.*—It is agreed that all existing rights and privileges of the workmen in respect of matters other than those covered by this settlement shall continue and the recognised rights of the management shall be maintained.

It witness whereof the parties have hereto set their hands the day and the year first above written.

Witness:

Sd/- S. V. MOKASHI

For and on behalf of :

For Commercial Union Assurance Co. Ltd.

Sd/- Asstt. Branch Manager

The South British Insurance Company Ltd.

Sd/- Manager

Royal Insurance Co. Ltd.

Sd/- Branch Manager

For Caledonian Insurance Co.

Sd/- Jr. Branch Group Manager

For Guardian Assurance Co. Ltd.

Sd/- Jr. Branch Group Manager

The Home Insurance Co.

Sd/- Manager

For and on behalf of the Legal & General Assurance Society Ltd.

Sd/- Manager

For Phoenix Assurance Co. Ltd.

Sd/- Manager

For Alliance Assurance Co. Ltd.

Sd/- Branch Manager

The New Zealand Insurance Co. Ltd.

Sd/- Manager

Atlas Assurance Co. Ltd.,
Royal Exchange Assurance.

Sd/- Group Joint Branch Manager

Eagle Star Insurance Co. Ltd.

Sd/- for Manager for India

Witness :

For and on behalf of Norwich Union Fire Insurance Society Ltd.

Sd/- R. S. LOBO

Sd/- Western Zone Manager
The General Insurance Employees' Union Western Zone
Bombay

Submitted to the Tribunal.

Sd/- K. S. B. PILLAI,
General Secretary

Sd/- S. V. MOKASHI

For the General Insurance Employees Union.

Sd/- J. G. KOTHARE 4-11-1960.

SCHEDULE "A"

Statement showing classification of clerical staff employed by the Companies in Bombay

1. Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd., The Employers' Liability Assurance Corporation Ltd.

- (i) Employees who are at present in scale No. 1 will be placed in the general clerical grade.
- (ii) Employees who are at present in scale No. 2 will be placed in the "run off" grade.
- (iii) Employees who are at present in the grade of sectional heads or top grade will be placed in the special clerical grade.

2. The South British Insurance Co. Ltd.

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.
- (ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

3. Royal Insurance Co. Ltd., The London & Lancashire Insurance Co. Ltd., The Liverpool & London & Globe Insurance Co. Ltd., The Central Insurance Co. Ltd.

- (i) Employees who are at present in Grade I and Grade II will be placed in the general clerical grade.
- (ii) Employees who are at present in Grade III will be placed in the special clerical grade.

4. Guardian Assurance Co. Ltd., Caledonian Insurance Co. Ltd.

- (i) Employees who are at present in the lower clerical grade (80/335) will be placed in the general clerical grade. The two record-clerks will also be placed in the general clerical grade.
- (ii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

5. The Home Insurance Co.

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

6. *Legal and General Assurance Society Ltd.*

(i) Employees who are at present in the clerical grade of Rs. 80/342½ will be placed in the general clerical grade.

(ii) Two employees who are working as heads of departments will be placed in the special clerical grade.

7. *Phoenix Assurance Co. Ltd.*

(i) Employees who are at present in the lower clerical grade will be placed in the general clerical grade.

(ii) Employees who are in the middle clerical grade will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

8. *Alliance Assurance Co. Ltd., Sun Insurance Office Ltd.*

(i) Employees who are at present in the clerical grade "A" will be placed in the general clerical grade.

(ii) Employees who are at present in the "Special grade" will be placed in the special clerical grade.

9. *The New Zealand Insurance Co. Ltd.*

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of head clerks will be placed in the special clerical grade.

10. *Atlas Assurance Co. Ltd., Royal Exchange Assurance.*

(i) Employees who are at present in grades up to Rs. 215 and Rs. 335 will be placed in the general clerical grade.

(ii) Employees who are at present heads of departments will be placed in the special clerical grade.

11. *Eagle Star Insurance Co. Ltd.*

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

12. *Norwich Union Fire Insurance Society Ltd., Scottish Union and National Insurance Co., Maritime Insurance Co. Ltd.*

The Classification of the clerical staff will be as shown in Schedule "B" attached hereto.

SCHEDULE "B"

Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co.,
Maritime Insurance Co. Ltd.

*Basic salaries of clerical staff and subordinate staff due adjustment/fitment as per the settlement
as on 1st May 1968.*

| Name | Grade | Basic monthly Salary |
|-----------------------------------|------------------------|----------------------------|
| <i>Clerical Staff</i> | | |
| 1. Mr. J. B. Ramos | Special clerical grade | 525.00 |
| 2. Mr. B. S. Malankar | " | 400.00 |
| 3. Mr. R. K. Kadrekar | " | 475.00 |
| 4. Mr. A. R. Nagar | " | 425.00 |
| 5. Mr. R. M. Lobo | " | 400.00 |
| 6. Mr. E. Rodrigues | " | 400.00 |
| 7. Mr. K. R. Tondwalkar | " | 400.00 |
| 8. Mrs. G. K. Gandhi | " | 350.00 |
| 9. Mr. M. K. Tantra | General clerical grade | 340.00 |
| 10. Mr. P. H. Jhaveri | " | 320.00 |
| 11. Mr. R. A. Kulkarni | " | 340.00 |
| 12. Mr. D. N. Muranjan | " | 340.00 |
| 13. Mr. D. R. Mhatre | " | 340.00 |
| 14. Mr. K. R. Kudtarkar | " | 270.00 |
| 15. Mr. A. X. Rego | " | 270.00 |
| 16. Mr. A. S. Kurlekar | " | 310.00 |
| 17. Mr. P. P. Jacinto | " | 285.00 |
| 18. Mr. D. G. Rao | " | 320.00 |
| 19. Mr. S. R. Paes | " | 200.00 |
| 20. Mr. G. T. Shelar | " | 150.00 |
| 21. Mr. V. S. Mistry | " | 130.00 |
| 22. Mrs. S. Sampson | " | 150.00 |
| <i>Subordinate Staff :</i> | | |
| 1. Mr. S. S. Shinde | | 97.00 |
| 2. Mr. S. A. Khamkar | | 97.00 |
| 3. Mr. M. Vatarja | | 69.00 |
| 4. Mr. M. Yusuf (Diver) | | 125.00 |

[No. F.74(15)/64-LRIV(LRI).]

S.O. 33.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Central Government Industrial Tribunal No. 2, Bombay, in the industrial dispute between the employers in relation to the Atlas Assurance Company Limited, Bombay and their workmen, which was received by the Central Government on the 19th December, 1969.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL NO. 2,
BOMBAY

REFERENCE NO. CGIT-2/8 OF 1968

Employers in relation to Atlas Assurance Company Limited

AND

Their Workmen

PRESENT

Shri N. K. Vani, Presiding Officer.

APPEARANCES:

For the Employers:—Shri J. S. Bramley and Shri S. V. Mokashi, Labour Adviser.

For the workmen:—Shri K. S. B. Pillai, General Secretary and Shri J. G. Kothare, Vice-President, of the General Insurance Employees' Union, Bombay.

STATE: Maharashtra.

INDUSTRY: General Insurance.

Bombay, dated the 1st December, 1969

AWARD

By Order No. 74(14)/65/LRIV dated 9-9-1965 the Government of India, in the Ministry of Labour and Employment in exercise of the powers conferred by sub-section (2) of Section 10 of the Industrial Disputes Act, 1947 (14 of 1947) referred to the Central Government Industrial Tribunal, Bombay for adjudication, an industrial dispute existing between the employers in relation to M/s Atlas Assurance Company Ltd., Bombay and their workmen represented by the General Insurance Employees' Union in respect of the matters specified in the Schedule, mentioned below:—

SCHEDULE

Whether all or any of the following claims put forward by the workmen are justified?

Charter of Demands

All the demands contained herein below shall apply equally to all the employees employed in the Atlas Assurance Co. Ltd./Royal Exchange Assurance, Bombay.

1. *Classification of Employees:*

The Employees shall be classified into the following categories:

- (a) Sweepers, sepoys, chaprasis, malis, watchman, daftaries and Head peons shall be placed in Grade "A".
- (b) Drivers, Liftmen and oilmen shall be placed in Grade "B".
- (c) Assistants, telephone operators, addressing machine operators, book binders, punch-card operators, typists, receiving and paying cashiers, Adrema-Bradan-Power Samas-Comptometer-Hallerith-IEN machine operators, air conditioning mechanics and electricians shall be placed in Grade "C".
- (d) Junior Supervisory Staff variously termed as higher grade assistants, special assistants, senior assistants, head typists, senior cashiers, steno-graphers, draughtsmen etc. shall be placed in Grade "D".
- (e) Senior Supervisory staff variously termed as superintendents Assistants superintendents, head clerks, sectional heads, Branch accountants, etc shall be placed in Grade "E".

II. *Scales of Pay:*

| | |
|-----------|--|
| Grade "A" | . Rs. 120 5/6—150—6/7—192—8—6—240 in 19 years. |
| Grade "B" | . Rs. 180—6/2—192—8/6—240—10/3—270 in 11 years. |
| Grade "C" | . Rs. 200—10/4—250—15/10—390—20/4—470 in 18 years. |
| Grade "D" | . Rs. 275—15/5/350—20/5—450—25/5—575 in 15 years. |
| Grade "E" | . Rs. 350—30/6—530—40/4—690 in 10 years. |

III. Dearness Allowance:

Dearness Allowance shall be paid at the rate of $1\frac{1}{2}$ per cent of the basic pay for every rise of 5 points over the cost of living index figure of 360 (1934—100 points) subject to a minimum of Rs. 50/-.

The Bombay Working Class Consumers Price Index shall be taken as the basis for calculating the dearness allowance.

IV. Adjustments:

An employee shall be fitted into the new scales on a point to point basis. The basic pay and the dearness allowance on 31-12-1964 shall be treated as basic pay only for the purpose of adjustment of basic pay to the new scale of pay.

If an employee is drawing more basic pay than what is warranted after proper adjustment as above, he shall continue to receive the excess amount as personal pay and shall be also given annual increments.

V. Special Allowance:

Employees engaged in work mentioned below and/or designated as below shall be entitled to special allowances per mensem in addition to their salaries and emoluments in the manner stated below:—

- (a) Watchman, bank peons, despatch peons, head peons, daffaries, franking machine and duplicating machine operators and such other employees: Rs. 20/- per month.
- (b) Typists, comptometer operators, Addressograph operators, punch card operators, telephone operators, paying and receiving cashiers and cashiers, Adrema-Bradna & power Samas Hollerith and IBM operators and such other employees: Rs. 30/- per month.

VI. Special Increments:

Besides the above, the employees under Grades "C" and "D" shall be entitled to special increments for passing the following examinations on the scale shown against each examination—

| | |
|--|------------------------------|
| On Graduation | 2 increments. |
| On passing the following examinations : | |
| 1. Licentiate or A.C.I.I.—Part I | } 1 increment for each part. |
| 2. A.F.I.I. Part I or A.C.I.I. Part II | |
| 3. A.F.I.I. Part II or A.C.I.I. Part III | |
| 4. Chartered Accountant | |

N.B.—In case of stenographers and junior supervisory staff the total number of special increments shall not exceed three during that grade. A graduate appointed as an assistant shall get a higher starting salary by two increments. Those graduate assistants who have not received the Graduation increments shall also get two increments.

VII. Other Allowances:

(a) **Overtime Allowance:**—An employee working overtime shall be entitled to overtime allowance for such period of work rendered at the rate of double the hourly rate of wages inclusive of special allowance and all other allowances. No employee shall be engaged in for overtime work for more than 90 hours in a calendar year.

(b) Officiating Allowance:

- (i) If an employee is required to officiate in a higher post, he shall be entitled to an "Acting Allowance" at the rate of 20% of his salary for the period for which he officiates.
- (ii) If an employee is required to act in a post for which "Special Pay" is provided, he shall be entitled to pro-rata special allowance for the period of such work done.

(c) **House Rent Allowance:** All the employees shall be paid as "House Rent" a sum at the rate of 10% of their basic salary per mensem, subject to a minimum of Rs. 30/-.

VIII. AMENITIES :

Subsidies :

- (i) Text books for A.C.I.I. or Federation of Insurance Institute Examination shall be supplied by the Company in turn. Examination fee shall be paid by the employer after the employee passes the examination.
- (ii) adequate subsidy shall be given for sports, recreation and cultural activities of the employees.
- (iii) All the employees shall be entitled to a free Personal Accident (Annual) Policy, the premiums of which shall be borne by the employers. The sum assured of such a Policy shall be Rs. 10,000/-, Rs. 7,500/-, Rs. 5,000/- and Rs. 2,500/- for the employees in Grades E, D, C & B and A respectively.
- (iv) Adequate subsidy shall be given for cheap canteens for supply of wholesome food to the employees in each of the office premises.

IX. FREE MEDICAL AID :

All the employees shall be entitled to free medical aid for selves and their dependents. All the cost of hospitalization, medicines and doctor's bills shall be borne by the employers.

X. GRATUITY :

On retirement or retrenchment or on death or on total and permanent disability of an employee while in the service of the Company—

One month's basic salary for each year of continuous service.

On resignation from service after completion of 10 years continuous service.

One month's basic salary for each year of continuous service.

On termination of service by the Company :

One month's basic salary for each completed year of service.

The salary for the purpose of calculation of Gratuity shall be the terminal basic salary drawble by the employee previous to death, disablement, retirement, resignation, retrenchment or termination of service as the case may be.

XI. RETIREMENT AGE:

The age of retirement of an employee shall be 60 years.

XII. PROVIDENT FUND :

- (i) All permanent employees including part-time employees should be made members of the Provident Fund.
- (ii) The rate of contribution should be 3 1/3% of the total emoluments, i.e. basic pay plus dearness allowance plus special allowances, if any, with equal contribution by the Company. The employees should, however, be allowed to contribute voluntarily upto 15% of their salary without corresponding contribution from the Company.
- (iii) Interest at a minimum rate of 4 1/2% should be paid on the total contribution by the employees and the Company.
- (iv) Unclaimed fund should be distributed pro-rata every three years amongst the existing employees from time to time.
- (v) Full benefits of the Fund should be permitted to the employees on completion of five years of service.

- (vi) Loan from the Provident Fund to the extent of 6 months salary or 90% of the employees' contribution whichever is less shall be granted to the employees at a time.

BOARD OF TRUSTEES :

On the Board of Provident Fund Trust, the employees and the employers should have equal number of representatives. The employees' representatives should be elected by themselves by simple majority of votes. Re-election of the employees' representative should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.

XIII. LEAVE :

Casual Leave.—15 days casual leave should be given in a calendar year. 6 days casual leave may be granted at a stretch. Casual leave may be prefixed and suffixed to holidays and Sundays.

Privilege (Earned) Leave.—Privilege leave should be allowed to all employees at the rate of 1 day for every 11 calendar days. Employees should be allowed to accumulate leave upto 6 months. Return fare to the employee, his wife and dependents should be granted once in two years for going anywhere in India.

Sick Leave.—Thirty days sick leave per year should be allowed on full pay to the employees with a maximum accumulation of 12 months during the service period.

In case of prolonged illness further sick leave with half pay should be allowed upto six months and another six months without pay.

Maternity Leave.—Maternity leave upto the period of three months shall be allowed to all female employees

Examination Leave.—Employees shall be allowed adequate leave for appearing in all the recognised examinations in addition to all other leave.

Special Leave.—Adequate leave shall be allowed to the Union Representatives and Office Bearers of the All India Insurance Employees' Association and/or its affiliated Units to enable them to attend meetings and conferences of the Unions and their Central Organizations and to participate in the Tribunals and Conciliation Proceedings.

XIV. SECURITY OF SERVICE :

No employee shall be victimised for Trade Union Activities.

XV. WORKING HOURS :

The working hours for employees in Grades C, D & E shall be 33 hours a week and 36 hours for employees in Grades A & B. A grace time of 15 minutes shall be allowed before they are marked late.

XVI. BONUS :

Customary : Employees shall be paid three months basic salary as Bonus per year.

XVII. UNIFORMS TO EMPLOYEES IN THE GRADES A & B:

An employee of Grade A & B shall be provided with the following outfit namely :—

1. Summer Uniforms : Three sets.
2. Umbrella : One.
3. Footwear : Two Pairs.
4. Rain Coat : One for those who are to do out-door duties.
5. Caps or Turbans.

XVIII. ALLOWANCE DURING SUSPENSION:

During the suspension of an employee, he shall be paid an allowance equal to 75% of his total wages.

XIX. RECRUITMENT :

Recruitment shall be made from amongst the retrenched employees of the General Insurance Industry, registered in the pool as demanded in the resolution adopted in the All India Convention of General Insurance Employees held on the 15th and 16th August, 1960, in Bombay, under the auspices of the All India Insurance Employees' Association. Only in case such employees are not available in the Pool, recruitment might be made through local employment exchanges. In case of recruitment from among the retrenched employees, due credit shall be given to the past services and all restrictions regarding age, educational qualifications, etc., applicable to new recruits shall be waived.

XX. CONFIRMATION :

Employees shall be confirmed after 3 months probationary service automatically.

XXI. TEMPORARY STAFF :

The Company may employ temporary employees for performing duties of purely temporary nature. But such staff in no instance shall exceed more than 6 months in temporary service, after which he shall be treated automatically in permanent service, from the date of appointment.

XXII. PROMOTION :

No direct recruitment shall be made in Grades D & E and all vacancies in these Grades shall be filled in by way of promotion. The promotions shall be made on the basis of seniority and merits of the employees. Employees in Grades A & B shall be absorbed in Grade "C" on passing S.S.C., S.S.L.C. or equivalent Examinations

XXIII. TRANSFER :

No employee shall be transferred from one place to another without his prior consent.

XXIV. DATE OF EFFECT :

All benefits stated in this Charter of Demands shall have effect from First January, 1965.

XXV. TRADE UNION RIGHTS :

The All India Insurance Employees' Association and its affiliated Units shall be given due recognition and such facilities as provided in Trade Union Offices and holding Trade Union Meetings in office premises and hanging Notice Board of the Union should be granted.

XXVI. EXISTING RIGHTS AND PRIVILEGES:

Nothing contained in this Charter shall adversely affect or take away from any employee or group of employees any rights, privileges or usages, practice or conventions, amenities or other conditions of service that are already vested in or enjoyed by such employees or group of employees.

2. Later on by order No. 22/8/68-LRIII dated 25th November, 1968, the Central Government transferred this reference to this Tribunal No. 2, for adjudication.

3. The company filed written statement on 16th November, 1965 opposing the demands of the employees. The statement of claim on behalf of the employees in the company has been filed by Shri K. S. B. Pillai, General Secretary, the General Insurance Employees' Union, Bombay on 10th December, 1965.

4. In respect of demand No. 11 regarding retirement age, Award Part I was given by me on 1st July, 1969.

5. As regards the remaining 25 demands out of the 26 demands referred to above, parties have effected settlement in respect of this company alongwith other Insurance Companies.

6. On going through the settlement marked as Annexure 'A' and considering the demands made by the employees referred to above, it is crystal clear that their service conditions and scales of pay have been improved. It, therefore, appears to me that the settlement effected by the parties is fair. I, therefore, accept the same and pass the Award in terms of Settlement.

7. In the end I pass the following Orders :—

ORDER

- (i) Award Part II in terms of the settlement marked as Annexure 'A' is made.
- (ii) Settlement marked as Annexure 'A' is to form part of this Award.
- (iii) No order as to costs.

Sd./-

N. K. VANK,

Presiding Officer.

Central Government Industrial Tribunal No. 2, Bombay.

ANNEXURE 'A'

Memorandum of Settlement

Names of Parties :

Representing Employers

| | |
|----------------------------------|--|
| Mr. S. E. Dalvie | Commercial Union Assurance Co. Ltd., Bombay. The Northern Assurance Co. Ltd., Bombay. The Employers' Liability Assurance Corporation Ltd., Bombay. |
| Mr. J. S. Bramley | The South British Insurance Co. Ltd., Bombay. |
| Mr. J. N. Engineer | Royal Insurance Co. Ltd., Bombay. The London & Lancashire Insurance Co. Ltd., Bombay The Liverpool & London & Globe Insurance Co. Ltd., Bombay. |
| Mr. M. Narayan | The Central Insurance Co. Ltd., Bombay. Guardian Assurance Co. Ltd., Bombay. Caledonian Insurance Co., Bombay. |
| Mr. P. B. Dastur | The Home Insurance Co., Bombay. |
| Mr. J. F. S. P. Fernandes | Legal & General Assurance Society Ltd., Bombay. |
| Mr. C. A. Shah | Phoenix Assurance Co. Ltd., Bombay. |
| Mr. S. K. Divecha | Alliance Assurance Co. Ltd., Bombay. Sun Insurance Office Ltd., Bombay. |
| Mr. A. Monteiro | The New Zealand Insurance Co. Ltd., Bombay. |
| Mr. M. M. Chakrabarty | Atlas Assurance Co. Ltd., Bombay. Royal Exchange Assurance, Bombay. |
| Mr. S. R. Stanjana | Eagle Star Insurance Co. Ltd., Bombay. |
| Mr. K. M. Dastur | Norwich Union Fire Insurance Society Ltd., Bombay. The Scottish Union & National Insurance Co., Bombay. Maritime Insurance Co. Ltd., Bombay. |

Representing Employees

| | |
|----------------------------|--|
| Mr. K. S. B. Pillai | The General Secretary, The General Insurance Employees' Union, Western Zone, Bombay, Bombay. |
|----------------------------|--|

This settlement made this 30th day of October, 1969 Between the Companies mentioned above and the workmen employed by the respective Companies in Bombay.

Whereas the General Insurance Employees' Union, Western Zone, Bombay (hereinafter referred to as "the Union") submitted Charters of Demands on behalf of the workmen employed by the respective Companies.

And whereas the Charters of Demands were referred by the Central Government to Industrial Tribunal for adjudication being Reference CGIT Nos. 2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968.

And whereas the workmen were paid interim relief pending adjudication of the demands under their respective agreements as a result of negotiations between the parties from time to time and in some cases by an award of the Tribunal.

And whereas pursuant to further negotiations the parties have arrived at the following settlement to the intent that it will be binding on the parties under Section 18 of the Industrial Disputes Act, 1947 (hereinafter referred to as "the Act").

TERMS OF SETTLEMENT.

1. **Commencement of the Settlement.**—This settlement shall apply to all the workmen employed by the companies in Bombay with effect from 1st May, 1968, except where stated to the contrary.

2. **Scales of Pay.**—The following shall be the scales of pay.

(a) **Clerical Staff.**

(i) **General Clerical Grade.**

Rs. 100—7½—130—10—210—15—270—E.B.—15—300—20—400.

(ii) **Run off Grade.**

Rs. 165—15—240—20—400—25—450.

(iii) **Special Clerical Grade.**

Rs. 270—20—350—25—550.

(iv) **Stenographers.**

At present employed in Commercial Union Assurance Company Limited, only. Rs. 165—15—240—20—400—25—425 (Run Off Grade). In case of new appointments of Stenographers in all Companies (including Commercial Union Assurance Company Limited.), they will be given two additional increments at the start of the General Clerical Grade, i.e. they will be started on Rs. 115/- per month, but will otherwise progress in accordance with the stages in the General Clerical Grade.

(v) **Graduates.**

Similarly in the case of new appointments, Graduates will be given two additional increments at the start of the General Clerical Grade, i.e. they will be started on Rs. 115/- per month.

(b) **Subordinate Staff.**

(i) **Peons/Bearers, Hamals, Liftmen, Watchmen, Oilmen, etc.**

Rs. 35—3—53—4—77—5—102.

NOTE: Workmen earning a basic salary of Rs. 77/- per month or more after being fitted into the new scales of pay as laid down in clause 3 below will continue to receive an annual increment of Rs. 5/- up to a maximum basic salary of Rs. 112/- per month instead of Rs. 102/- as prescribed above.

(ii) **Drivers.**

For Drivers already in employment:

Rs. 75—5—140—6—170.

New appointments will be made in the grade of Rs. 75—5—150.

3. **Fitting in the grade and adjustment.**—It is agreed that the basic salaries as on 30th April, 1968 of the clerical and subordinate staff will be fitted into the revised basic salary scales coming into force from 1st May, 1968 in the following manner:—

Clerical Staff.—(i) With the exception of workmen employed by the New Zealand Insurance Co. Ltd., each company will add a sum of Rs. 10/- to the basic

salary of a workman existing on 30th April, 1968. The basic salary so arrived at will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale. Thereafter, each workman will receive one increment in the scale.

(ii) In the case of workmen employed by the New Zealand Insurance Co. Ltd., basic salaries of workmen existing on 30th April, 1968 will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale and they will not be entitled to Rs. 10/- and/or any increment.

(iii) Adjustments under (i) and (ii) above are subject to the condition that workmen shall not exceed the maximum of their respective revised scales.

Subordinate Staff.—(a) With the exception of workmen employed by the New Zealand Insurance Co. Ltd., and those mentioned in clause (b) hereunder, to the basic salary of each workman existing on 30th April, 1968, shall be added an amount equal to the difference between the minimum of his existing scale and the minimum of his revised scale. After adding the said difference to the basic salary of the workman he will be fitted into the revised scale at the nearest higher step if it is not a step in the revised scale. Thereafter each workman will receive one scale increment in the revised scale.

(b) Workmen employed by the Companies other than those employed by the New Zealand Insurance Co. Ltd., whose existing basic salary scales have a minimum equal to or higher than the minimum of the revised scale will receive two scale increments by way of adjustment increments after their basic salaries are fitted in the revised scale at the nearest higher step if it is not a step in the revised scale.

(c) In the case of the New Zealand Insurance Co. Ltd., however, that Company agrees that workmen at present in the employment of the Company will be fitted in the revised scales at their respective stage in the existing scale on 30th April, 1968, that is to say, if a workman is at the fifth stage of the existing scale, he will be fitted at the fifth stage of the revised scale and so on.

The difference between the basic salary received by them under the existing scale and the basic salary received by them under the revised scale will continue to be paid to the workmen as 'personal pay'. Such personal pay will not attract dearness allowance, but will be deemed to be basic salary for all other purposes.

Workmen in the New Zealand Insurance Co. Ltd., however, will not be entitled to any increment by way of adjustment increment.

(d) Adjustments under (a), (b) and (c) above are subject to workmen not exceeding the maximum of their respective scales.

(e) Notwithstanding anything contained above, it is agreed that in the event of the emoluments received by a workman in the subordinate staff under this settlement as on 1st May, 1968, being less than the emoluments received as on 30th April, 1968, the Companies agree to pay to that workman the actual difference plus a sum of Rs. 10/- as "Personal Allowance" for a period commencing on 1st May, 1968, and ending on 30th September, 1969, both of which will cease to be paid thereafter.

However, in the case of a workman in the subordinate staff to whom the above paragraph has been applied, in the event of his emoluments as on 1st October 1969, under this agreement being less than the emoluments received on 30th September, 1969, under his former terms and conditions of service, the Companies agree to pay to that workman the actual difference between his former emoluments on 30th September, 1969, and his emoluments under this agreement as from 1st October, 1969 plus a sum of Rs. 10/- as "personal allowance" for a period commencing 1st October, 1969, and ending on 31st December, 1970 both of which will cease to be paid thereafter.

However, it is further agreed that in the event a workman in the subordinate staff to whom the above two paragraphs have been applied is on 1st January, 1971 still receiving less emoluments than he was receiving on 30th September, 1969 under his former terms that workman will be given a flat sum of Rs. 75/- in the month of January, 1971 in addition to his basic salary and D.A. for that month payable hereunder and thereafter that workman will receive basic salary and D.A. as otherwise provided hereunder.

4 (i) In the event of the emoluments received by a member of the subordinate staff as on 1st May, 1968 under this settlement being less than Rs. 10/- in excess of the emoluments received by him on 30th April, 1968, the Company concerned agrees to pay to that workman the difference between the excess and Rs. 10/- as "personal allowance" for a period of 12 months only commencing 1st May, 1968, which will cease to be paid after 30th April, 1969.

(g) For the purpose of clause (e) and (f) above, the emoluments as on 30th April, 1968, shall be deemed to be the basic salary plus dearness allowance plus interim relief less provident fund contribution, if any. Emoluments received as at 1st May, 1968 shall be deemed to be the basic salary including any adjustment increments hereunder plus dearness allowance thereon less provident fund contribution, if any, at the new rates.

(h) The personal allowance payable to workmen in terms of clause (e) and (f) will not attract dearness allowance in terms of clause 4 herein below, nor will it be taken into account for any other purpose.

Norwich Union Fire Insurance Society Ltd.

The Scottish Union & National Insurance Co.

Maritime Insurance Co. Ltd.

Nothing above written in respect of the fitting in the grade and adjustment of the clerical and subordinate staff will apply to the Norwich Union Fire Insurance Society Ltd., The Scottish Union & National Insurance Co., and Maritime Insurance Co. Ltd.. Workmen in the clerical and subordinate staff will in lieu of all fitting in and adjustment receive with effect from 1st May, 1968 basic salaries as set out against their names in schedule "B" attached hereto. On these basic salaries, dearness allowance at the Index No. 731-740 as shown in paragraph 4 "Dearness Allowance" of this settlement will be calculated and the resulting total will be the basic salary and D.A. effective from 1st May, 1968.

4. **Dearness Allowance.**—Dearness Allowance shall be paid to the clerical staff and subordinate staff in accordance with the following scheme:

| Basic salary. | The Working Class Consumer Price Index in Bombay Number 731-740 (1934-100) | Variation for 10 points rise or fall |
|--------------------------|--|--------------------------------------|
| Re. 1 to 100 | 240% | 5% |
| Rs. 101 to 200 | 120% | 2½% |
| Rs. 201 to 550 | 60% | 1½% |
| Minimum D.A. | Rs. 145/- | Rs. 3/- |

Provided, however, that the maximum dearness allowance payable to the subordinate staff at the Index 731-740 shall not exceed Rs 300/- per month. The subordinate staff, however, will be entitled to the benefit of the variation of the index by 10 points and the maximum dearness allowance payable shall increase or decrease in accordance with the percentage applicable to his salary on the basis of the index. For example, if a member of the subordinate staff at the index 731-740 is earning a salary of Rs. 150/-, the maximum dearness allowance payable to him will be Rs. 300/-. If the index is in the range 741-750, the maximum dearness allowance increase correspondingly, i.e., Rs. 300/- plus Rs. 5/- plus Rs. 1½ equivalent to Rs. 306½. The maximum will correspondingly decrease if the range of the index is 721-730.

Provided further that workmen drawing basic salary of over Rs. 550/- per month shall not be entitled to dearness allowance on that portion of the basic salary over Rs. 550/-.

For administrative convenience the Consumer Price Index for the Working Class in Bombay on which dearness allowance will be calculated shall be the last

available Index published by the Government of Maharashtra and notified by the Bombay Chamber of Commerce and Industry a week prior to the date of the disbursement of the salaries.

5. Classification

The Classification of clerical staff into different grades will be as mentioned in Schedule "A" attached hereto.

6. Special Allowance

The existing practice in the respective Companies of granting special allowance, if any, to workman will continue.

7. Insurance Examinations

The existing arrangement in the respective companies for rewarding the staff on passing the Insurance Examination shall continue.

In case of Titas Assurance Co., Ltd., the scheme applicable to workmen employed by the Guardian Assurance Co., Ltd., Bombay will be adopted.

8. Other Allowances

(a) Overtime Allowance

The existing arrangements regarding payment of overtime in the respective companies will continue. It is further agreed that no additional payment on account of overtime, if any, done by workmen prior to the date of signing this settlement will be due or claimed by the workmen as a result of the revision of wages or dearness allowance under this settlement with effect from 1st May, 1968.

(b) Officiating Allowance

The existing practice, if any, regarding officiating allowance in the respective companies will continue.

9. Medical Aid

Medical aid to reimburse a workman for medicines and/or treatment prescribed by a registered medical practitioner in respect of the workman's own treatment only shall be granted to permanent workmen as follows:

(a) The Company shall reimburse to their respective workmen as aforesaid the full expenses towards such prescribed medicines and/or treatment including doctor's fees and consultation charges up to a maximum of Rs. 100 in a calendar year;

(b) For expenditure in excess of Rs. 100 the Companies will reimburse to their respective workmen as aforesaid 90 per cent of the medical expenses incurred; provided, however, that the total medical aid granted to a workman as aforesaid shall not exceed Rs. 150 in any one calendar year.

The workmen under this clause shall be reimbursed on presentation of medical bills accompanied by a certificate from a registered medical practitioner whose treatment was availed of by the workman during illness.

10. **Gratuity.**—All Companies shall introduce the following gratuity scheme with effect from 1st May, 1968.

Gratuity shall be paid to permanent members of the clerical and subordinate staff (excluding part-time or temporary employees) subject in all cases up to a maximum of 18 months last basic salary at the following rate:—

(a) On normal retirement on reaching the age of superannuation or at death or on permanent total incapacity at the rate of one month's last basic salary for every completed year of continuous service. The balance of uncompleted year of service in excess of six months shall be treated as one year.

(b) On voluntary retirement or resignation from service—

| | |
|--|---|
| After 10 years but less than 15 years of continuous service. | 50% of the last basic salary for every completed year of service. |
| After 15 years of continuous service | 75% of the last basic salary for every completed year of service. |

(c) On termination of service by the employer, gratuity shall be paid on the following scale—

| | |
|--|---|
| (i) Upto and including 10 years of continuous service. | 50% of one month's last basic salary for every completed year of service. |
| (ii) After completing 10 years but up to and including 15 years of continuous service. | 75% of one month's last basic salary for every completed year of service. |
| (iii) Over 15 years of continuous service. | One month's last basic salary for every completed year of service. |

NOTE: (i) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.

(ii) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

However, in case of such Companies wherein a gratuity scheme is at present in existence, every member of the clerical or subordinate staff shall be given an option to choose within two months from the date of signing of this agreement between the existing gratuity scheme with amendment given herein below or revised gratuity scheme set out herein above.

The existing gratuity schemes are deemed to be amended as follows:—

- (i) The maximum amount of gratuity payable under such scheme will be 18 months last basic salary.
- (ii) The clauses regarding non-payment of gratuity, either wholly or partially, on account of termination due to misconduct shall be abolished and the following provisions will apply:—
 - (a) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.
 - (b) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable, in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

The option once made by the employee will thereafter be irrevocable.

The employees whose services have come to an end for any reasons whatsoever after 1st May, 1968, will also be allowed to make an opinion within three months of the signing of this settlement. In case such termination is due to death, the option should be allowed to be made by the legal heir or administrator of such employee.

11. **Retirement Age.**—The Awards of the Central Government Industrial Tribunal made in the year 1969 in respect of retirement age in the concerned Companies shall apply.

12. **Provident Fund.**—It is agreed that as soon as practicable after this settlement is signed and the Income-tax Commissioner has given his approval, the Companies concerned will, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices, amend the existing Provident Fund Rules to provide for contribution at the rate of 8½ per cent of the basic salary and dearness allowance by both the employer and workmen.

Subject to the Income-tax Commissioner giving his approval, the proposed amendment to the Provident Fund will come into effect from 1st May, 1968.

Notwithstanding anything written above in the case of Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co., and Maritime Insurance Company Ltd., these Companies, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices will amend its Provident Rules to provide for contribution at the rate of 6½ per cent of the basic salary and dearness allowance by both the employer and the workmen with effect from 1st October, 1969. Employees who have opted for the existing Pension Scheme will not be entitled to become members of the Provident Fund.

13. **Tiffin Allowance.**—With effect from 1st May, 1968, tiffin allowance of Rupee one per day for each member of the clerical and subordinate staff on every full working day (Saturdays, Sundays, Leave and Holidays excluded) when he attends office will be paid. The tiffin allowance may be paid in cash to a Tiffin Committee appointed by the employees' Union. Such payment will be made on the basis set out above, up to 5 days prior to the normal date the Company disburses salaries for the same month and will be disbursed on the latter date.

14. (A) **Leave.**—Workmen will be granted the following quantum of leave in accordance with the rules existing in the respective Companies.

(a) **Casual leave.**—Up to 10 days in a year with full pay.

(b) **Privilege leave.**—30 days leave with pay per annum with accumulation as at present in respective Companies.

(c) **Sick Leave.**—Sick leave will be granted on production of a medical certificate from a Registered Medical Practitioner.

Applications for sick leave must be made immediately and supported by a medical certificate in respect of any absence exceeding 3 days.

In the event of circumstances prevailing making it impossible to arrange for verbal notification or despatch of a post card on the first day of absence, a post card should be despatched or verbal information given as soon after as is possible, and on return to the office, the reasons for earlier advises not having been possible shall then be provided.

The Company reserves the right to require an employee to be examined by a doctor of its own choice at the Company's expense.

The entitlement of sick leave will be as follows:—

- (i) Subject to the modifications in clause (ii) below each permanent member of the clerical and subordinate staff shall be entitled to sick leave with full pay for a maximum of 30 days for each completed year of service and subject to an over all maximum of 360 days during the whole of his service with the Company.
- (ii) Notwithstanding the general principle laid down in clause (i) above, in cases of those existing members of the permanent clerical and subordinate staff who were over 32 years of age on 1st May, 1968, the maximum amount of sick leave in the remaining period of their service with the Company shall be in accordance with the following scale:

| Age on 1-5-1968 | Maximum amount of sick leave on full pay |
|----------------------------|--|
| Over 32 years to 37 years. | 300 days |
| 38 years to 42 years | 270 days |
| 43 years to 52 years | 210 days. |
| 53 years to retirement. | 150 days. |

In cases of protracted illness involving hardship, sick leave beyond the limits laid down above may be granted at the sole discretion of the Company.

Accumulated privilege leave may be adjusted against sick leave already expended in blocks of 7 days or multiples of 7 days at a time but privilege leave thus adjusted cannot thereafter be converted back.

—NOTE.—Notwithstanding what is stated above, temporary workmen and workmen on probation who may be in the employ of the Companies for 90 continuous days or more will only be granted leave as per the provisions of the Bombay Shops and Establishments Act but the quantum of leave will be at the rate of 30 days per year of service or *pro rata*.

14. (B) **Maternity Leave.**—A married female worker shall be granted maternity leave with full pay for not exceeding six weeks before confinement and not exceeding six weeks after confinement. The birth of a child or a miscarriage certified by a medical practitioner must be notified to the Company within one week of the event. Maternity leave will be granted up to a maximum of three occasions during the entire period of the service of the worker with the Company.

15. **Public Holiday.**—The practice existing in the respective Companies shall continue.

16. **Working Hours.**—The existing working hours for different categories of staff shall continue.

17. **Bonus.**—Subject to the approval of Government or any other competent authority, if required, it is agreed that an annual bonus equivalent to two months' basic salary shall be paid to all workmen covered by this settlement on the same basis as exists in the respective Companies, until such time as the provisions of the Payment of Bonus Act, 1965, are made applicable to the Companies, when bonus will be governed by the provisions laid down in that Act.

18. **Uniforms to Subordinate Staff.**—The existing practice of granting uniform to the subordinate staff in the respective Companies shall continue. Where subordinate staff are not at present supplied with footwear they will be granted at least one pair of chappals every two years.

19. **Allowance During Suspension.**—The existing provisions, if any, in the respective Companies of granting an allowance during suspension of a workman shall continue.

20. **Confirmation.**—The normal probationary period will be six months and at the end of this period a probationer will be considered as confirmed to the permanent staff unless the Company notifies the employee concerned in writing that his work is not satisfactory and that his probationary period has been extended by three months more for further trial.

Nevertheless, at any time during the probationary period, a probationer may be confirmed to the permanent staff, or may have his service terminated on notice as per the Bombay Shops and Establishments Act being given (or pay in lieu thereof) at the discretion of the management, if his conduct or service is found unsatisfactory.

21. Payment for the outstanding period

(A) The companies will make lump sum payments at the following rates to workmen for their respective outstanding periods, subject to the conditions mentioned below:

| | |
|-----------------------------|---|
| 1963—10% . . . | of basic pay plus D.A. earned during the relevant period. |
| 1964—12½% . . . | Do. |
| 1965—15% . . . | Do. |
| 1966—15% . . . | of basic pay plus D.A. earned during the relevant period plus 15% of monthly allowance for insurance examinations drawn from 1st September 1966 where applicable. |
| 1967—17½% . . . | of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the year. |
| 1-1-68 to 30-4-68—20% . . . | of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the period. |

(B) The above payments shall be subject to the following conditions:

(i) The payment will be calculated from the date mentioned below against each Company up to 30th April, 1968. Where payment is due for a part of the year, it will be calculated on a *pro rata* basis.

- | | |
|--|------------------------------|
| (a) The South British Insurance Co. Ltd., and Phoenix Assurance Co. Ltd., | From 1-1-1963 to 30-4-1968. |
| (b) Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd., The Employers Liability Assurance Corporation Ltd., Alliance Assurance Co. Ltd., Sun Insurance Office Ltd., Guardian Assurance Co. Ltd., Calendonian Insurance Co., The Home Insurance Co., Royal Insurance Co. Ltd., The London & Lancashire Insurance Co. Ltd., The Liverpool & London & Globe Insurance Co. Ltd., The Central Insurance Co. Ltd., and Eagle Star Insurance Co. Ltd. | From 1-9-1963 to 30-4-1968. |
| (c) Legal & General Assurance Society Ltd., | From 1-7-1963 to 30-4-1968. |
| (d) Atlas Assurance Co. Ltd., and Royal Exchange Assurance | From 22-3-1965 to 30-4-1968. |
| (e) The New Zealand Insurance Co. Ltd. | From 18-2-1965 to 30-4-1968. |
| (f) Norwich Union Fire Insurance Soc. Ltd., The Scottish Union & National Insurance Co., Maritime Insurance Co. Ltd. | From 9-2-1964 to 30-4-1968. |

(ii) Notwithstanding any previous agreements/settlements to the contrary the interim reliefs paid by the Companies during the aforesaid period will be deducted from the amounts payable under sub-clause (A) of clause 21 and the balance after making deductions towards income-tax will be paid to the workmen.

(iii) In consideration of the payments mentioned in this clause, the workmen will have no claim for revision of wages or other conditions of service or any other claim for the period prior to 1st May 1968.

(iv) The lump-sum payments made under this clause shall not attract deductions towards provident fund or payments towards overtime, leave salary, bonus or any other payment.

22. Calculation of Arrears.

(i) for the purpose of calculating the arrears in respect of basic salary and D.A., from 1st May 1968 the total monthly earnings (basic pay and dearness allowance but excluding overtime, if any earned) payable under this settlement will be worked out and the total monthly earnings (basic pay and dearness allowance including the interim reliefs but excluding overtime, if any earned) of the respective workmen for the abovementioned period will be deducted and the balance will be paid to the respective workmen as arrears, payable under this settlement.

(ii) The arrears payable under this settlement from 1st May 1968 in respect of bonus and tiffin allowance shall be paid separately.

(iii) provided, however, that the payments referred to in sub-clauses (i) and (ii) will be made after deducting any sums due on account of income-tax and/or provident fund.

23. The interim relief payments made by the Companies shall be discontinued as soon as wages and D.A. are paid in accordance with this settlement.

24. **Withdrawal of the Demands.**—In consideration of this settlement all demands which are subject matter of dispute in Ref. CGIT-2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968 and which are not covered by this settlement shall be deemed to have been withdrawn and the workmen shall not agitate in respect of the said demands during the period this settlement is in force.

25. Period and scope of Settlement.—

(i) The above settlement shall remain in force upto 30th April 1971. The settlement shall continue to remain in force thereafter until it is terminated by either party by giving a notice in writing of two months.

(ii) The settlement will be applicable only to all full-time workman for whom grades are fixed under this settlement and who were in the service of the Company on 1st May 1968 or thereafter.

(iii) However, monetary benefits, if any, accruing under clause 21 of this settlement shall be paid to all those workmen who were in the employment during the relevant period, prior to the date of this settlement. In the case of workmen who have died, the benefit will be paid to their legal representatives.

26. General.—

(i) All payments accrued to the credit of the workmen as a result of this settlement shall be paid as early as possible but not later than one month from the date of this settlement.

(ii) Any dispute arising out of the interpretation of any clause of this settlement shall be settled between the parties to the dispute by mutual discussions. Failing settlement the parties will resort to the provisions of section 36A of the Act.

(iii) This settlement is arrived at with the sincere intention of maintaining cordial relations between the workmen and the Companies. The Companies and the workmen shall carry out the terms of this settlement in its true spirit.

(iv) The parties shall make application/s before the Central Government Industrial Tribunal before whom the disputes are pending to make an Award in terms of this settlement. The parties shall also send copies of this settlement reached under Section 18(3) read with section 2(p) of the Act to the various authorities prescribed under the Act.

27. Special provision.—Notwithstanding anything contained hereinabove, it is agreed that provident fund and gratuity provided in clauses 10 and 12 of the settlement shall not apply to the New Zealand Insurance Co. Ltd., and the Home Insurance Co., whose forms of retiral benefits will be the subject of the separate negotiations with the Union. In the event parties fail to reach a settlement these matters will be decided by the Industrial Tribunal before whom the disputes are pending. Pending the outcome of such negotiations or decision of the Industrial Tribunal, existing Provident Fund and/or Gratuity Schemes, if any, in these Companies will continue.

28. Existing rights and privileges.—It is agreed that all existing rights and privileges of the workmen in respect of matters other than those covered by this settlement shall continue and the recognised rights of the management shall be maintained.

In witness whereof the parties have hereto set their hands the day and the year first above written.

Witness:

For and on behalf of:

Sd/- S. V. MORASHI

For Commercial Union Assurance Co. Ltd.
Sd/-

Asstt. Branch Manager
The South British Insurance Company Ltd.
Sd/-

Manager
Royal Insurance Co. Ltd.
Sd/-
Branch Manager

For Caledonian Insurance Co.
Sd/-
Jr. Branch
Group Manager

For Guardian Assurance Co. Ltd.

Sd/-
Jr. Branch
Group Manager

The Home Insurance Co.,

Sd/-
Manager

For and on behalf of the Legal & General Assurance Society Ltd.

Sd/-
Manager

For Phoenix Assurance Co. Ltd.

Sd/-
Manager

For Alliance Assurance Co. Ltd.

Sd/-
Branch Manager

The New Zealand Insurance Co. Ltd.

Sd/-
Manager

Atlas Assurance Co. Ltd., Royal Exchange Assurance.

Sd/-
Group Joint Branch Manager.

Eagle Star Insurance Co. Ltd.

Sd/-
for Manager for India

Witness :

Sd/- R. S. LOBO.

For and on behalf of Norwaich Union Fire Insurance Society Ltd.

Sd/-
Western Zone Manager

The General Insurance Employees' Union, Western Zone, Bombay.

Submitted to the Tribunal.

Sd/- K. S. B. Pillai,
General Secretary

Sd/- S. V. MOKASHI.

For the General Insurance Employees Union

Sd/- J. G. KOTHARE,
4-11-60.

SCHEDULE "A"

Statement showing of classification of clerical staff employed by the Companies in

1. *Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd., The Employers' Liability Assurance Corporation Ltd.*

(i) Employees who are at present in scale No. 1 will be placed in the general clerical grade.

(ii) Employees who are at present in scale No. 2 will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of sectional heads or top grade will be placed in the special clerical grade.

2. *The South British Insurance Co. Ltd.*

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

3. *Royal Insurance Co. Ltd., The London and Lancashire Insurance Co. Ltd. The Liverpool and London and Globe Insurance Co. Ltd., The Central Insurance Co. Ltd.*

(i) Employees who are at present in Grade I and Grade II will be placed in the general clerical grade.

(ii) Employees who are at present in Grade III will be placed in the special clerical grade.

4. *Guardian Assurance Co. Ltd., Caledonian Insurance Co. Ltd.*

(i) Employees who are at present in the lower clerical grade (80/335) will be placed in the general clerical grade. The two record-clerks will also be placed in the general clerical grade.

(ii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

5. *The Home Insurance Co.*

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

6. *Legal and General Assurance Society Ltd.*

(i) Employees who are at present in the clerical grade of Rs. 80/342½ will be placed in the general clerical grade.

(ii) Two employees who are working as heads of departments will be placed in the special clerical grade.

7. *Phoenix Assurance Co. Ltd.*

(i) Employees who are at present in the lower clerical grade will be placed in the general clerical grade.

(ii) Employees who are in the middle clerical grade will be placed in the "run off" grade

(iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

8. *Alliance Assurance Co. Ltd., Sun Insurance Office Ltd.*

(i) Employees who are at present in the clerical grade "A" will be placed in the general clerical grade.

(ii) Employees who are at present in the "Special grade" will be placed in the special clerical grade.

9. *The New Zealand Insurance Co. Ltd.*

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of head clerks will be placed in the special clerical grade.

10. *Atlas Assurance Co. Ltd., Royal Exchange Assurance.*

(i) Employees who are at present in grades up to Rs. 215 and Rs. 335 will be placed in the general clerical grade.

- (ii) Employees who are at present heads of departments will be placed in the special clerical grade.

11. *Eagle star Insurance Co. Ltd.*

- (i) Employees who are at present in grade "B" will be placed in the general clerical grade.

- (ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

12. *Norwich Union Fire Insurance Society Ltd., Scottish Union and National Insurance Co., Maritime Insurance Co. Ltd.*

The Classification of the clerical staff will be as shown in Schedule "B" attached hereto.

SCHEDULE "B"

Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co., Maritime Insurance Co. Ltd.

Co., Maritime Insurance Co. Ltd.

Basic salaries of clerical staff and subordinate staff after due adjustment/fitment as per the settlement as on 1st May 1968.

| Name | Grade | Basic monthly salary |
|------------------------------------|-------------------------|----------------------|
| <i>Clerical Staff :</i> | | |
| | | Rs. |
| 1. Mr. J. B. Ramos | Special clerical grade. | 525.00 |
| 2. Mr. B. S. Malankar | " | 400.00 |
| 3. Mr. R. K. Kadrekar | " | 475.00 |
| 4. Mr. A. R. Nagar | " | 425.00 |
| 5. Mr. R. M. Lobo | " | 400.00 |
| 6. Mr. E. Rodrigues | " | 400.00 |
| 7. Mr. K. R. Pondwalkar | " | 400.00 |
| 8. Mrs. G. K. Ghandhi | " | 350.00 |
| 9. Mr. M. K. Tantra | General clerical grade | 340.00 |
| 10. Mr. P. H. Jhaveri | " | 320.00 |
| 11. Mr. R. A. Kulkarni | " | 340.00 |
| 12. Mr. D. N. Muranjan | " | 340.00 |
| 13. Mr. D. R. Mhatre | " | 340.00 |
| 14. Mr. K. R. Kudtarkar | " | 270.00 |
| 15. Mr. A. X. Rego | " | 270.00 |
| 16. Mr. A. S. Kurlekar | " | 310.00 |
| 17. Mr. P. P. Jacinto | " | 285.00 |
| 18. Mr. D. G. Rao | " | 320.00 |
| 19. Mr. S. R. Paes | " | 200.00 |
| 20. Mr. G. T. Shelar | " | 150.00 |
| 21. Mr. V. S. Mistry | " | 130.00 |
| 22. Mrs. S. Sampson | " | 150.00 |
| <i>Subordinate Staff :</i> | | |
| 1. Mr. S. S. Shinde | | 97.00 |
| 2. Mr. S. A. Khamkar | | 97.00 |
| 3. Mr. M. Vataria | | 69.00 |
| 4. Mr. M. Yusuf (Driver) | | 125.00 |

New Delhi, the 26th December 1969

S.O. 34.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Central Government Industrial Tribunal No. 2, Bombay, in the industrial dispute between the employers in relation to the Eagle Star Insurance Company Limited and their workmen, which was received by the Central Government on the 19th December, 1969.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL NO. 2, AT BOMBAY

REFERENCE NO. CGIT-2/4 OF 1968

Employers in relation to Eagle Star Insurance Company Limited

AND

Their Workmen.

PRESENT:

Shri N. K. Vani, Presiding Officer.

APPEARANCES:

For the employers:

Shri J. S. Bramley and Shri S. V. Mokashi, Labour Adviser.

For the workmen:

Shri K. S. B. Pillai, Shri J. G. Kothare, General Secretary, Vice-President, respectively of the General Insurance Employees' Union.

INDUSTRY: General Insurance.

STATE: Maharashtra.

Bombay, dated the 1st December, 1969

AWARD

By Order No. 74(15)/64-LRIV Pt. dated 23rd April, 1965 the Government of India, in the Ministry of Labour and Employment in exercise of the powers conferred by sub-section (2) of Section 10 of the Industrial Disputes Act, 1947 (14 of 1947) referred to the Central Government Industrial Tribunal, Bombay for adjudication, an industrial dispute existing between the employers in relation to M/s. Eagle Star Insurance Company Ltd., Bombay and their workmen represented by the General Insurance Employees' Union, Bombay, in respect of the matter specified in the Schedule, mentioned below :—

SCHEDULE

“Whether all or any of the following claims put forward by the workmen are justified ?

I. Classification of Employees :

The employees will be classified into the following categories :—

- (a) Sweepers, Sepoys, Watchmen, Draftaries and Head-Peons shall be placed in Grade ‘A’.
- (b) Drivers and Liftmen shall be placed in Grade ‘B’.
- (c) Assistants (Junior Clerks), Telephone Operators and Typists shall be placed in Grade ‘C’.
- (d) Senior Assistants, Higher Grade Assistants, Head-Typists, Stenographers and Cashiers shall be placed in Grade ‘D’.
- (e) Senior Supervising Staff, variously termed as Superintendents, Assistant Superintendents, Head-Clerks, Sectional Heads, Senior and Junior Accountants shall be placed in Grade ‘E’.

II. Scales of Pay :

- Grade ‘A’ : Rs. 120-5/6-150-6/7-192-8/6-240 in 19 years.
 Grade ‘B’ : Rs. 180-6/2-192-8/6-240-10/3-270 in 11 years.
 Grade ‘C’ : Rs. 200-10/4-240-15/10-390-20/4-470 in 18 years.
 Grade ‘D’ : Rs. 275-15/5-350-20/5-450-25/5-575 in 15 years.
 Grade ‘E’ : Rs. 350-30/6-530-40/4-690 in 10 years.

III. Dearness Allowance :

D.A. shall be paid at the rate of $1\frac{1}{2}$ per cent of basic pay for every rise of 5 points over the cost of living index figure of 360 (1939=100 points) or 1 per cent of basic pay for every rise of 1 point over the cost of living index figure of 100 (1949=100 points) subject to a minimum of Rs. 20.

All India Cost of Living Index shall be taken as the basis for calculation of the Dearness Allowance.

IV. Adjustments :

An employee shall be fitted into the new scales on a point to point basis. The basic pay and Dearness Allowance as on 1st January, 1964 shall be treated as basic pay only for the purpose of adjustment of basic pay to the new scale of pay.

Employee who is drawing more basic pay than what is warranted after proper adjustment as above, shall continue to receive the excess amount as Personal Pay and shall also be given usual annual increment.

V. Special Allowance :

Employees engaged in work mentioned below and/or designated as below shall be entitled to Special Allowance per mensem in addition to their salaries and emoluments in the manner stated below :—

(a) Watchmen, Bank Peon, Delivery Peons, Franking Machine Operators, Duplicating Machine Operators and Hecto-Graph Machine Operators
Rs. 20 per month.

(b) Head-Peon, Rs. 30 per month.

(c) Typists and Telephone Operators : Rs. 30 per month.

VI. Special Increment:

Besides the above, the employees under Grades 'C' and 'D' shall be entitled to Special Increments for passing the following examinations on the scale shown against each examination :—

| | |
|--|--------------------------------|
| On Graduation | 2 Increments |
| On passing the following examinations : | |
| 1. Licentiate of A.C.I.I. Part I | } One increment for each part. |
| 2. A.F.I.I. Part I or A.C.I.I. Part II | |
| 3. A.F.I.I. Part II or A.C.I.I. Part III | |
| 4. Chartered Accountant | |

N.B.—In case of Stenographers and Junior Supervisory staff the total number of special increments shall not exceed three during that grade. A graduate appointed as an Assistant shall get a higher starting salary by two increments. Those graduates Assistants shall get a higher starting salary graduation increments. Those graduates Assistants who have not received the graduation increments shall also get two increments.

VII. Other Allowances :

(a) *Overtime Allowance*:—An employee working overtime shall be entitled to overtime allowance for such period of work rendered at the rate of double the hourly rate of wages inclusive of special allowance and all other allowances. No employee shall be engaged in for overtime work more than 90 hours in a Calendar year.

(b) *Officiating Allowance*:—(i) If an employee is required to officiate in a higher post, he shall be entitled to an 'Acting Allowance' at the rate of 20 per cent of his salary for the period for which he officiates.

(ii) If an employee is required to act in a post for which Special Pay is provided, he shall be entitled to *Pro-rata* Special Allowance for the period of such work done.

(c) *House Rent Allowance*:—All the employees shall be paid as 'House Rent' a sum at the rate 10 per cent of their basic salary per mensem, subject to a minimum of Rs. 20/-.

VIII. Amenities :

Subsidies.—(i) Text Books for A.C.I.I. or Federation of Insurance Institute Examinations shall be supplied by the Company. Examination fee shall be paid by the employers after the employee passes the examination.

(ii) Adequate subsidy shall be given for Sports, Recreation, Staff-Library and other cultural activities of the employees.

IX. Free Medical Aid :

All the employees shall be entitled to free Medical Aid for selves and their dependents. All the cost of Hospitalisation, Medicines and Doctors' Bills shall be borne by the employers.

X. Gratuity:

On retirement, or retrenchment or on death or on total and permanent disability of an employee while in the service of the Company.

One month's basic salary for each year of continuous service subject to a maximum of 20 months' basic salary.

On resignation from service after the completion 10 years continuous service.

One month's basic salary for each year of continuous service subject to a maximum of 20 months' basic salary.

On termination of service by the Company.

One month's basic salary for each completed year of service but not more than 20 months' basic salary.

Gratuity:—Salary for the purpose of calculating Gratuity shall be the terminal basic salary drawble by the employee previous to death, disablement, retirement, resignation, retrenchment or termination of service, as the case may be.

XI. Retirement Age :

The age of retirement of an employee shall be 60 years.

XII. Provident Fund :

The following alterations in the existing Provident Fund Rules should be made:

(i) Interest at the minimum rate of 4½ should be paid on the total contribution by the employees and Company.

(ii) Unclaimed fund should be distributed *pro-rata* every three years amongst the existing employees from time to time.

(iii) Full benefits of the fund should be permitted to the employees on completion of five years of service.

Board of Trustees:—On the Board of Provident Fund Trust, the employees and employers should have equal number of representatives. Employees representatives should be elected by themselves by simple majority of votes. Re-election of the Employees' Representatives should be held every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.

XIII. Leave :

Casual Leave.—13 days casual leave should be given in a calendar year. 6 days Casual leave may be granted at a stretch. Casual leave may be prefixed and suffixed to Holidays and Sundays.

Privilege (Earned) Leave.—Privilege Leave should be allowed to all employees at the rate of 1 day for every 11 calendar days. Employees should be allowed to accumulate leave up to 6 months. Return Fare to the employees, his wife and dependents should be granted once in two years for going any-where in India. Encashments of leave shall be allowed.

Sick Leave.—Thirty days sick leave per year should be allowed on full pay to the employees with a maximum accumulation of 12 months during the service period.

In case of prolonged illness further sick leave with half pay should be allowed up to six more months and another six months without pay.

Maternity Leave.—Maternity Leave up to the period of three months shall be allowed to all female employees, but in no case more than six weeks leave will be allowed from the date of confinement.

Retirement Leave.—Three months Retirement Leave shall be granted at the time of retirement to all employees.

Examination Leave.—Employees shall be allowed adequate leave for appearing in all the recognised examinations in addition to all other leave.

Special Leave.—Adequate Leave shall be allowed to the Union Representatives and Office Bearers of the All India Insurance Employees' Association and/or its

affiliated Units, to enable them to attend meetings and conferences of the Unions and their Central Organisations and to participate in the Tribunals and conciliation proceedings.

XIV. Security of Service :

No employee shall be victimised for Trade Union activities.

XV. Working Hours :

The working hours for employees in Grade C, D and E shall be 33 hours a week and 36 hours for employees in Grade A and B. A grace time of 15 minutes shall be allowed before they are marked late.

XVI. Bonus:

Customary—Employees shall be paid three months basic salary as Bonus per year.

XVII. Uniform Employees in the Grades A and B:

An employee of Grade A and B shall be provided with the following outfit annually:—

1. Summer Uniform : Two sets—One additional Summer Uniform shall be provided where winter uniform is not necessary.
2. Umbrella : One.
3. Foot-wear : Two pairs.
4. Rain Coat : One for those who are to do outdoor duties.

XVIII. Allowance during Suspension:

During the suspension of an employee, he shall be paid an allowance equal to 75 per cent of his total wages.

XIX. Recruitment:

Recruitment shall be made from amongst the retrenched employees of the General Insurance Industry, registered in pool as demanded in the resolution adopted in the All India Convention of General Insurance Employees held on 15th and 16th August 1960 in Bombay under the auspices of the All India Insurance Employees' Association. Only in case of such employees are not available in the Pool, recruitment might be made through local employment exchanges. In case of recruitment from among the retrenched employees, due credit shall be given to the past service and restriction regarding, age, educational qualifications, etc., applicable to new recruits shall be waived.

XX. Confirmation:

Employees shall be confirmed after 3 months' Probationary Service automatically.

XXI. Temporary Staff:

The Company may employ temporary employees for performing duties of purely temporary nature. But such staff in no instance shall exceed more than 6 months in temporary service, after which he shall be treated automatically in permanent service, from the date of appointment.

XXII. Promotion:

No direct recruitment shall be made in Grades D and E and all vacancies in these grades shall be filled in by way of promotion. The promotions shall be made on the basis of seniority and merits of the employees. Employees in Grades A and B shall be absorbed in Grade 'C' on passing S.S.C., S:S:L:C., or equivalent examinations.

XXIII. Transfer:

No employee shall be transferred from one place to another without his prior consent.

XXIV. Date of Effect:

All benefits stated in this Charter of Demands shall have effect from the 1st day of January, 1964.

XXV. Trade Union Rights:

The All India Insurance Employees' Association and its affiliated Units shall be given due recognition and such facilities as providing Trade Union Offices and holding Trade Union Meetings in Office Premises and hanging Notice Board of the Union should be granted.

XXVI. Existing Rights and Privileges:

Nothing contained in this Charter shall adversely affect or take away from any employee or group of employees any right, privileges or usages, practice or conventions, amenities or other conditions of service that are already vested in or enjoyed by such employee or group of employees.

2. Later on by order No. 22/8/68-LRIII dated 25th November 1968, the Central Government transferred this reference to this Tribunal No. 2, for adjudication.

3. The company has filed written statement on 15th June 1965 and rejoinder on 3rd May 1966 opposing the demands of the employees. The statement of claim on behalf of the employees in the company has been filed by Shri K. S. B. Pillai, General Secretary, the General Insurance Employees' Union, Bombay on 16th August 1965.

4. Award Part I in respect of demand No. 11 regarding retirement age out of 26 demands referred to above was given by me on 1st July 1969.

5. This company along with other Insurance Companies and the representative of the employees have effected settlement marked as Annexure 'A'.

6. Considering the demands of the employees referred to above and the settlement effected by the parties, regarding the demand of the employees, I find that the service conditions and pay scales of the employees have been improved. As the settlement is fair and reasonable I accept the same and pass the following order :

ORDER

- (i) Award Part II in terms of settlement marked as Annexure 'A' is made.
- (ii) The settlement marked as Annexure 'A' is to form part of this Award.
- (iii) No order as to costs.

(Sd.) N. K. VANI,

Presiding Officer,
Central Government Industrial
Tribunal No. 2, Bombay

ANNEXURE 'A'

Memorandum of Settlement

Names of Parties

Representing Employers

| | | |
|---------------------------|-------|---|
| Mr. S. E. Dalvie | . . . | Commercial Union Assurance Co. Ltd., Bombay. |
| | | The Northern Assurance Co. Ltd., Bombay. |
| | | The Employers' Liability Assurance Corporation Ltd., Bombay. |
| Mr. J. S. Bramley | . . . | The South British Insurance Co. Ltd., Bombay. |
| Mr. J. N. Engineer | . . . | Royal Insurance Co. Ltd., Bombay. |
| | | The London & Lancashire Insurance Co. Ltd., Bombay. |
| | | The Liverpool & London & Globe Insurance Co. Ltd., Bombay. |
| | | The Central Insurance Co. Ltd., Bombay. |
| Mr. K. Narayan | . . . | Guardian Assurance Co., Ltd., Bombay. |
| | | Caledonian Insurance Co., Bombay. |
| Mr. P. B. Dastur | . . . | The Home Insurance Co. Bombay. |
| Mr. J. F. S. P. Fernandes | . . . | Legal & General Assurance Society Ltd. Bombay. |
| Mr. C. A. Shah | . . . | Phoenix Assurance Co. Ltd., Bombay. |
| Mr. S. K. Divecha | . . . | Alliance Assurance Co., Ltd., Bombay. |
| | | Sun Insurance Office Ltd., Bombay. |

| | |
|---------------------------------|--|
| Mr. A. Montelro | The New Zealand Insurance Co. Ltd., Bombay. |
| Mr. M. M. Chakrabarty | Atlas Assurance Co., Ltd., Bombay. Royal Exchange Assurance, Bombay. |
| Mr. S. R. Sanjana | Eagle Star Insurance Co. Ltd., Bombay. |
| Mr. K. M. Dastur | Norwich Union Fire Insurance Society Ltd., Bombay. The Scottish Union & National Insurance Co., Bombay. Maritime Insurance Co. Ltd., Bombay. |

Representing Employees

| | |
|-------------------------------|--|
| Mr. K. S. B. Pillai | The General Secretary, The General Insurance Employees' Union, Western Zone, Bombay, Bombay. |
|-------------------------------|--|

This settlement made this 30th day of October, 1969 between the Companies mentioned above and the workmen employed by the respective Companies in Bombay.

Whereas the General Insurance Employees' Union, Western Zone, Bombay (hereinafter referred to as "the Union") submitted charters of Demands on behalf of the workmen employed by the respective Companies.

And whereas the Charters of Demands were referred by the Central Government to Industrial Tribunal for adjudication being Reference CGIT Nos. 2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968.

And whereas the workmen were paid interim relief pending adjudication of the demands under their respective agreements as a result of negotiations between the parties from time to time and in some cases by an award of the Tribunal.

And whereas pursuant to further negotiations the parties have arrived at the following settlement to the intent that it will be binding on the parties under Section 18 of the Industrial Disputes Act, 1947 (hereinafter referred to as "the Act").

*Terms of Settlement**1. Commencement of the Settlement.*

This settlement shall apply to all the workmen employed by the companies in Bombay with effect from 1st May 1968, except where stated to the contrary.

2. Scales of Pay.

The following shall be the scales of pay.

*(a) Clerical Staff :**(i) General Clerical Grade :*

Rs. 100-7½-130-10-210-15-270-E.B.-15-300-20-400

(ii) Run off Grade

Rs. 165-15-240-20-400-25-450

(iii) Special Clerical Grade

Rs. 270-20-350-25-550

(iv) Stenographers.

At present employed in Commercial Union Assurance Co. Ltd., only Rs. 165—15—240—20—400—25—425 (Run Off Grade). In case of new appointments of Stenographers in all Companies (including Commercial Union Assurance Co. Ltd.), they will be given two additional increments at the start of the General Clerical Grade i.e., they will be started on Rs. 115/- per month, but will otherwise progress in accordance with the stages in the General Clerical Grade.

(v) Graduates.

Similarly in the case of new appointments, Graduates will be given two additional increments at the start of the General Clerical Grade i.e., they will be started on Rs. 115/- per month.

(b) *Subordinate Staff:*

(i) *Peons/Bearers, Hamals, Liftmen, Watchmen, Oilmen, etc.:*

Rs. 35—3—53—4—77—3—102.

NOTE.—Working earning a basic salary of Rs. 77/- per month or more after being fitted into the new scales of pay as laid down in clause 3 below will continue to receive an annual increment of Rs. 5/- up to a maximum basic salary of Rs. 112/- per month instead of Rs. 102/- as prescribed above.

(ii) *Drivers:*

For Drivers already in employment:

Rs. 75—5—140—6—170.

New appointments will be made in the grade of Rs. 75—5—150.

3. *Fitment in the grade and adjustment:*

It is agreed that the basic salaries as on 30th April, 1968 of the clerical and subordinate staff will be fitted into the revised basic salary scales coming into force from 1st May, 1968 in the following manner:—

Clerical Staff.

(i) with the exception of workmen employed by the New Zealand Insurance Co. Ltd., each company will add a sum of Rs. 10/- to the basic salary of a workman existing on 30th April, 1968. The basic salary so arrived at will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale. Thereafter, each workman will receive one increment in the scale.

(ii) In the case of workmen employed by the New Zealand Insurance Co. Ltd., basic salaries of workmen existing on 30th April 1968 will be fitted into the revised scale at the nearest higher step, if it is not a step in the revised scale and they will not be entitled to Rs. 10/- and/or any increment.

(iii) Adjustments under (i) and (ii) above are subject to the condition that workmen shall not exceed the maximum of their respective revised scales.

Subordinate Staff.

(a) With the exception of workmen employed by the New Zealand Insurance Co. Ltd., and those mentioned in clause (b) hereunder, to the basic salary of each workman existing on 30th April 1968 shall be added an amount equal to the difference between the minimum of his existing scale and the minimum of his revised scale. After adding the said difference to the basic salary of the workman he will be fitted into the revised scale at the nearest higher step if it is not a step in the revised scale. Thereafter each workman will receive one scale increment in the revised scale.

(b) Workmen employed by the Companies other than those employed by the New Zealand Insurance Co. Ltd., whose existing basic salary scales have a minimum equal to or higher than the minimum of the revised scale will receive two scale increments by way of adjustment increments after their basic salaries are fitted in the revised scale at the nearest higher step if it is not a step in the revised scales.

(c) In the case of the New Zealand Insurance Co. Ltd., however, that Company agrees that workmen at present in the employment of the Company will be fitted in the revised scales at their respective stage in the existing scale on 30th April, 1968, that is to say, if a workman is at the fifth stage of the existing scale, he will be fitted at the fifth stage of the revised scale and so on.

The difference between the basic salary received by them under the existing scale and the basic salary received by them under the revised scale will continue to be paid to the workmen as 'personal pay'. Such personal pay will not attract dearness allowance, but will be deemed to be basic salary for all other purposes.

Workmen in the New Zealand Insurance Co. Ltd., however, will not be entitled to any increment by way of adjustment increment.

(d) Adjustments under (a), (b) and (c) above are subject to workmen not exceeding the maximum of their respective scales.

(e) Notwithstanding anything contained above, it is agreed that in the event of the emoluments received by a workman in the subordinate staff under this settlement as on 1st May, 1968 being less than the emoluments received as

on 30th April 1968, the Companies agree to pay to that workman the actual difference plus a sum of Rs. 10/- as "Personal Allowance" for a period commencing on 1st May 1968 and ending on 30th September 1969, both of which will cease to be paid thereafter.

However, in the case of a workman in the subordinate staff to whom the above paragraph has been applied, in the event of his emoluments as on 1st October, 1969, under this agreement being less than the emoluments received on 30th September, 1969, under his former terms and conditions of service, the Companies agree to pay to that workman the actual difference between his former emoluments on 30th September, 1969, and his emoluments under this agreement as from 1st October, 1969, plus a sum of Rs. 10 as "personal allowance" for a period commencing 1st October, 1969, and ending on 31st December, 1970, both of which will cease to be paid thereafter.

However, it is further agreed that in the event a workman in the subordinate staff to whom the above two paragraphs have been applied is on 1st January, 1971, still receiving emoluments than he was receiving on 30th September, 1969, under his former terms that workman will be given a flat sum of Rs. 75 in the month of January, 1971, in addition to his basic salary and D.A. for that month payable hereunder and thereafter that workman will receive basic salary and D.A. as otherwise provided hereunder.

(f) In the event of the emoluments received by a member of the subordinate staff as on 1st May, 1968, under this settlement being less than Rs. 10 in excess of the emoluments received by him on 30th April, 1968, the Company concerned agrees to pay to that workman the difference between the excess and Rs. 10 as "personal allowance" for a period of 12 months only commencing 1st May, 1968, which will cease to be paid after 30th April, 1969.

(g) For the purpose of clause (e) and (f) above, the emoluments as on 30th April, 1968, shall be deemed to be the basic salary plus dearness allowance plus interim relief less provident fund contribution, if any. Emoluments received as at 1st May, 1968, shall be deemed to be the basic salary including any adjustment increments hereunder plus dearness allowance thereon less provident fund contribution, if any, at the new rates.

(h) The personal allowance payable to workmen in terms of clause (e) and (f) will not attract dearness allowance in terms of clause 4 hereinbelow, nor will it be taken into account for any other purpose.

Norwich Union Fire Insurance Society Ltd.

The Scottish Union and National Insurance Co.

Maritime Insurance Co., Ltd.

Nothing above written in respect of the fitting in the grade and adjustment of the clerical and subordinate staff will apply to the Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co., and Maritime Insurance Co., Ltd. Workmen in the clerical and subordinate staff will in lieu of all fitting in and adjustment receive with effect from 1st May, 1968, basic salaries as set out against their names in schedule "B" attached hereto. On these basic salaries, dearness allowance at the Index No. 731-740 as shown in paragraph 4 "Dearness Allowance" of this settlement will be calculated and the resulting total will be the basic salary and D.A. effective from 1st May, 1968.

4. Dearness Allowance

Dearness Allowance shall be paid to the clerical staff and subordinate staff in accordance with the following scheme:

| Basic Salary | | The Working Class Consumer Price Index in Bombay Number 731-740(1934-100) | Variation for 10 points rise or fall |
|----------------|---|---|--------------------------------------|
| Rs. 1 to 100 | . | 240% | 5% |
| Rs. 101 to 200 | . | 120% | 2½% |
| Rs. 201 to 550 | . | 60% | 1½% |
| Minimum D. A. | . | Rs. 145/- | Ps. 3/- |

Provided, however, that the maximum dearness allowance payable to the subordinate staff at the Index 731-740 shall not exceed Rs. 300 per month. The subordinate staff, however, will be entitled to the benefit of the variation of the index by 10 points and the maximum dearness allowance payable shall increase or decrease in accordance with the percentage applicable to his salary on the basis of the index. For example, if a member of the subordinate staff at the index 731-740 is earning a salary of Rs. 150 the maximum dearness allowance payable to him will be Rs. 300. If the index is in the range 741-750, the maximum dearness allowance increase correspondingly, i.e., Rs. 300 plus Rs. 5 plus Rs. 1 $\frac{1}{4}$ equivalent to Rs. 306 $\frac{1}{4}$. The maximum will correspondingly decrease if the range of the index is 721-730.

Provided further that workmen drawing basic salary of over Rs. 550 per month shall not be entitled to dearness allowance on that portion of the basic salary over Rs. 550.

For administrative convenience the Consumer Price Index for the Working Class in Bombay on which dearness allowance will be calculated shall be the last available Index published by the Government of Maharashtra and notified by the Bombay Chamber of Commerce and Industry a week prior to the date of the disbursement of the salaries.

5. Classification

The Classification of clerical staff into different grades will be as mentioned in Schedule "A" attached hereto.

6. Special Allowance

The existing practice in the respective Companies of granting special allowance, if any, to workman will continue.

7. Insurance Examinations

The existing arrangement in the respective companies for rewarding the staff on passing the Insurance Examination/s shall continue.

In case of Atlas Assurance Co., Ltd., the scheme applicable to workmen employed by the Guardian Assurance Co., Ltd., Bombay will be adopted.

8. Other Allowances

(a) **Overtime Allowance.**—The existing arrangements regarding payment of overtime in the respective companies will continue. It is further agreed that no additional payment on account of overtime, if any, done by workmen prior to the date of signing this settlement will be due or claimed by the workmen as a result of the revision of wages or dearness allowance under this settlement with effect from 1st May, 1968.

(b) **Officiating Allowance.**—The existing practice, if any, regarding officiating allowance in the respective companies will continue.

9. Medical Aid

Medical aid to reimburse a workman for medicines and/or treatment prescribed by a registered medical practitioner in respect of the workman's own treatment only shall be granted to permanent workmen as follows:

(a) The Company shall reimburse to their respective workmen as aforesaid the full expenses towards such prescribed medicines and/or treatment including doctor's fees and consultation charge up to a maximum of Rs. 100 in a calendar year;

(b) For expenditure in excess of Rs. 100 the Companies will reimburse to their respective workmen as aforesaid 90 per cent of the medical expenses incurred; provided, however, that the total medical aid granted to a workman as aforesaid shall not exceed Rs. 150 in any one calendar year.

The workmen under this clause shall be reimbursed on presentation of medical bills accompanied by a certificate from a registered medical practitioner whose treatment was availed of by the workman during illness.

10. Gratuity

All Companies shall introduce the following gratuity scheme with effect from 1st May, 1968.

Gratuity shall be paid to permanent members of the clerical and subordinate staff (excluding part-time or temporary employees) subject in all cases up to a maximum of 18 months last basic salary at the following rate:—

(a) On normal retirement on reaching the age of superannuation or at death or on permanent total incapacity at the rate of one month's last basic salary for every completed year of continuous service. The balance of uncompleted year of service in excess of six months shall be treated as one year.

(b) On voluntary retirement or resignation from service:—

After 10 years but less than 15 years of continuous service. 50% of the last basic salary for every completed year of service.

After 15 years of continuous service. 75% of the last basic salary for every completed year of service.

(c) On termination of service by the employer, gratuity shall be paid on the following scale:—

(i) Up to and including 10 years of continuous service. 50% of one month's last basic salary for every completed year of service.

(ii) After completing 10 years but up to and including 15 years of continuous service. 75% of one month's last basic salary for every completed year of service.

(iii) Over 15 years of continuous service. One month's last basic salary for every completed year of service.

NOTE: (i) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.

(ii) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

However, in case of such Companies wherein a gratuity scheme is at present in existence, every member of the clerical or subordinate staff shall be given an option to choose within two months from the date of signing of this agreement between the existing gratuity scheme with amendments given herein below or revised gratuity scheme set out herein above.

The existing gratuity schemes are deemed to be amended as follows:—

(i) The maximum amount of gratuity payable under such scheme will be 18 months last basic salary.

(ii) The clauses regarding non-payment of gratuity, either wholly or partially, on account of termination due to misconduct shall be abolished and the following provisions will apply:—

(a) No gratuity shall be paid to an employee dismissed for misconduct unless he has completed 10 years of continuous service with the Company.

(b) In the event of dismissal of a workman for misconduct involving financial loss to the Company, the amount of gratuity, if any payable, in terms of the above rules, shall be reduced by the amount of financial loss caused to the Company by the misconduct resulting in the termination of service.

The option once made by the employee will thereafter be irrevocable.

The employees whose services have come to an end for any reasons whatsoever after 1st May, 1968, will also be allowed to make an option within three months of the signing of this settlement. In case such termination is due to death, the option should be allowed to be made by the legal heir or administrator of such employee.

11. Retirement Age

The Awards of the Central Government Industrial Tribunal made in the year 1969, in respect of retirement age in the concerned Companies shall apply.

12. Provident Fund

It is agreed that as soon as practicable after this settlement is signed and the Income-tax Commissioner has given his approval, the Companies concerned will, in respect of their full-time permanent clerical and subordinate staff employed at

the Bombay Offices, amend the existing Provident Fund Rules to provide for contribution at the rate of 6½ per cent of the basic salary and dearness allowance by both the employer and workmen.

Subject to the Income-tax Commissioner giving his approval, the proposed amendment to the Provident fund will come into effect from 1st May, 1968.

Notwithstanding anything written above in the case of Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co., and Maritime Insurance Company Ltd., these Companies, in respect of their full-time permanent clerical and subordinate staff employed at the Bombay Offices will amend its Provident Fund Rules to provide for contribution at the rate of 6½ per cent of the basic salary and dearness allowance by both the employer and the workmen with effect from 1st October, 1969. Employers who have opted for the existing Pension Scheme will not be entitled to become members of the Provident Fund.

13. Tiffin Allowance

With effect from 1st May, 1968, tiffin allowance of Rupee one per day for each member of the clerical and subordinate staff on every full working day (Saturdays, Sundays, Leave and Holidays excluded) when he attends office will be paid. The tiffin allowance may be paid in cash to a Tiffin Committee appointed by the employees' Union. Such payment will be made on the basis set out above, up to 5 days prior to the normal date the Company disburses salaries for the same month and will be disbursed on the latter date.

14. (A) Leave

Workmen will be granted the following quantum of leave in accordance with the rules existing in the respective Companies.

(a) **Casual leave.**—Up to 10 days in a year with full pay.

(b) **Privilege leave.**—30 days leave with pay per annum with accumulation as at present in respective Companies.

(c) **Sick Leave.**—Sick leave will be granted on production of a medical certificate from a Registered Medical Practitioner.

Applications for sick leave must be made immediately and supported by a medical certificate in respect of any absence exceeding 3 days.

In the event of circumstances prevailing making it impossible to arrange for verbal notification or despatch of a post card on the first day of absence, a post card should be despatched or verbal information given as soon after as is possible, and on return to the office, the reasons for earlier advices not having been possible shall then be provided.

The Company reserves the right to require an employee to be examined by a doctor of its own choice at the Company's expense.

The entitlement of sick leave will be as follows:—

(i) Subject to the modifications in clause (ii) below each permanent member of the clerical and subordinate staff shall be entitled to sick leave with full pay for a maximum of 30 days for each completed year of service and subject to an overall maximum of 360 days during the whole of this service with the Company.

(ii) Notwithstanding the general principle laid down in clause (i) above, in cases of those existing members of the permanent clerical and subordinate staff who were over 32 years of age on 1st May, 1968, the maximum amount of sick leave in the remaining period of their service with the Company shall be in accordance with the following scale:

In cases of protracted illness involving hardship, sick leave beyond the limits laid down above may be granted at the sole discretion of the Company.

Accumulated privilege leave may be adjusted against sick leave already expended in blocks of 7 days or multiples of 7 days at a time but privilege leave thus adjusted cannot thereafter be converted back.

NOTE: Notwithstanding what is stated above temporary workmen and workmen on probation who may be in the employ of the Companies for 90 continuous days or more will only be granted leave as per the provisions of the Bombay Shops and Establishments Act but the quantum of leave will be at the rate of 30 days per year of service or pro rata.

14. (B) Maternity Leave

A married female worker shall be granted maternity leave with full pay for not exceeding six weeks before confinement and not exceeding six weeks after confinement. The birth of a child or a miscarriage certified by a medical practitioner must be notified to the Company within one week of the event. Maternity leave will be granted up to a maximum of three occasions during the entire period of the service of the worker with the Company.

15. Public Holidays

The practice existing in the respective Companies shall continue.

16. Working Hours

The existing working hours for different categories of staff shall continue.

17. Bonus

Subject to the approval of Government or any other competent authority, if required, it is agreed that an annual bonus equivalent to two months' basic salary shall be paid to all workmen covered by this settlement on the same basis as exists in the respective Companies, until such time as the provisions of the Payment of Bonus Act, 1965, are made applicable to the Companies, when bonus will be governed by the provisions laid down in that Act.

18. Uniforms to Subordinate Staff

The existing practice of granting uniforms to the subordinate staff in the respective Companies shall continue. Where subordinate staff are not at present supplied with footwear they will be granted at least one pair of chappals every two years.

19. Allowance During Suspension

The existing provisions if any, in the respective Companies of granting an allowance during suspension of a workman shall continue.

20. Confirmation

The normal probationary period will be six months and at the end of this period a probationer will be considered as confirmed to the permanent staff unless the Company notifies the employee concerned in writing that his work is not satisfactory and that his probationary period has been extended by three months more for further trial.

Nevertheless, at any time during the probationary period, a probationer may be confirmed to the permanent staff, or may have his service terminated on notice as per the Bombay Shops and Establishments Act being given (or pay in lieu thereof) at the discretion of the management, if his conduct or service is found unsatisfactory.

21. Payment for the outstanding period

(A) The companies will make lump sum payments at the following rates to workmen for their respective outstanding periods, subject to the conditions mentioned below:

1963—10% of basic pay plus D.A. earned during the relevant period.

1964—12½% Do.

1965—15% Do.

1966—15% of basic pay plus D.A. earned during the relevant period plus 15% of monthly allowance for insurance examinations drawn from 1st September 1966 where applicable.

1967—17½% of basic pay plus D.A. and where applicable monthly allowance for insurance examinations earned during the year.

1-1-68 to 20% of basic pay plus D.A. and where applicable monthly allowance for 30-4-68 insurance examinations earned during the period.

(B) The above payments shall be subject to the following conditions:

(i) The payments will be calculated from the date mentioned below against each Company up to 30th April, 1968. Where payment is due for a part of the year, it will be calculated on a pro rata basis.

(a) The South British Insurance Co. Ltd., and Phoenix Assurance Co. Ltd., From 1-1-1963 to 30-4-1968

(b) Commercial Union Assurance Co. Ltd., The Northern Assurance Co. Ltd., The Employers Liability Assurance Corporation Ltd., Alliance Assurance Co. Ltd., Sun Insurance Office Ltd., Guardian Assurance Co., Ltd., Caledonian Insurance Co., The Home Insurance Co., Royal Insurance Co. Ltd., The Landon & Lincashire Insurance Co. Ltd., The Liverpool & London & Globe Insurance Co. Ltd., The Central Insurance Co. Ltd., and Eagle Star Insurance Co. Ltd. } From 1-9-1963 to 30-4-1968

(c) Legal & General Assurance Society Ltd. From 1-7-1963 to 30-4-1968

(d) Atlas Assurance Co. Ltd. and Royal Exchange Assurance From 22-3-1965 to 30-4-1968

(e) The New Zealand Insurance Co. Ltd. From 18-2-1965 to 30-4-1968.

(f) Norwich Union Fire Insurance Soc. Ltd., The Scottish Union & National Insurance Co., Maritime Insurance Co. Ltd., From 9-2-1964 to 30-4-1968

(ii) Notwithstanding any previous agreements/settlements to the contrary the interim reliefs paid by the Companies during the aforesaid period will be deducted from the amounts payable under sub-clause (A) of clause 21 and the balance after making deductions towards income-tax will be paid to the workmen.

(iii) In consideration of the payments mentioned in this clause, the workmen will have no claim for revision of wages or other conditions of service or any other claim for the period prior to 1st May, 1968.

(iv) The lump-sum payments made under this clause shall not attract deductions towards provident fund or payments towards overtime, leave salary, bonus or any other payment.

22. Calculation of Arrears

(i) for the purpose of calculating the arrears in respect of basic salary and D.A., from 1st May, 1968, the total monthly earnings (basic pay and dearness allowance but excluding overtime, if any earned) payable under this settlement will be worked out and the total monthly earnings (basic pay and dearness allowance including the interim reliefs but excluding overtime, if any earned) of the respective workmen for the abovementioned period will be deducted and the balance will be paid to the respective workmen as arrears, payable under this settlement.

(ii) The arrears payable under this settlement from 1st May, 1968, in respect of bonus and tiffin allowance shall be paid separately.

(iii) provided, however, that the payments referred to in sub-clauses (i) and (ii) will be made after deducting any sums due on account of income-tax and/or provident fund.

23. The interim relief payments made by the Companies shall be discontinued as soon as wages and D.A. are paid in accordance with this settlement.

24. Withdrawal of the Demands

In consideration of this settlement all demands which are subject matter of dispute in Ref. CGIT-2/2 of 1968, 2/3 of 1968, 2/4 of 1968, 2/8 of 1968 and 2/11 of 1968 and which are not covered by this settlement shall be deemed to have been withdrawn and the workmen shall not agitate in respect of the said demands during the period this settlement is in force.

25. Period and Scope of Settlement

(i) The above settlement shall remain in force upto 30th April, 1971. The settlement shall continue to remain in force thereafter until it is terminated by either party by giving a notice in writing of two months.

(ii) The settlement will be applicable only to all full-time workman for whom grades are fixed under this settlement and who were in the service of the Company on 1st May, 1968, or thereafter.

(iii) However, monetary benefits, if any, accruing under clause 21 of this settlement shall be paid to all those workmen who were in the employment during the relevant period, prior to the date of this settlement. In the case of workmen who have died, the benefit will be paid to their legal representatives.

26. General

(i) All payments accrued to the credit of the workmen as a result of this settlement shall be paid as early as possible but not later than one month from the date of this settlement.

(ii) Any dispute arising out of the interpretation of any clause of this settlement shall be settled between the parties to the dispute by mutual discussions. Failing settlement the parties will resort to the provisions of section 36A of the Act.

(iii) This settlement is arrived at with the sincere intention of maintaining cordial relations between the workmen and the Companies. The Companies and the workmen shall carry out the terms of this settlement in its true spirit.

(iv) The parties shall make application/s before the Central Government Industrial Tribunal before whom the disputes are pending to make an Award in terms of this settlement. The parties shall also send copies of this settlement reached under Section 18(3) read with section 2(p) of the Act to the various authorities prescribed under the Act.

27. Special Provision

Notwithstanding anything contained hereinabove, it is agreed that provident fund and gratuity provided in clauses 10 and 12 of the settlement shall not apply to the New Zealand Insurance Co., Ltd., and the Home Insurance Co., whose forms of retiral benefits will be the subject of the separate negotiations with the Union. In the event parties fail to reach a settlement these matters will be decided by the Industrial Tribunal before whom the disputes are pending. Pending the outcome of such negotiations or decision of the Industrial Tribunal, existing Provident Fund and/or Gratuity Schemes, if any, in these Companies will continue.

28. Existing Rights and Privileges.

It is agreed that all existing rights and privileges of the workmen in respect of matters other than those covered by this settlement shall continue and the recognised rights of the management shall be maintained.

In witness whereof the parties have hereto set their hands the day and the year first above written.

witness

Sd/—

S. V. MORASHI

For and on behalf of

For Commercial Union Assurance Co. Ltd.,

Sd/—

Asstt. Branch Manager.

The South British Insurance Company Ltd.

Sd/—

Manager

Royal Insurance Co., Ltd.

Sd/—

Branch Manager.

For Caledonian Insurance Co.

Sd/—

Jr. Branch

Group Manager

For Guardian Assurance Co. Ltd.,

Sd/—

Jr. Branch

Group Manager

| | |
|----------------------------|---|
| | The Home Insurance Co., Sd/— Manager |
| | For and on behalf of the Legal & General Assurance Society Ltd. Sd/— Manager |
| | For Phoenix Assurance Co. Ltd. Sd/— Manager |
| | For Alliance Assurance Co. Ltd. Sd/— Branch Manager |
| | The New Zealand Insurance Co. Ltd. Sd/— Manager |
| | Atlas Assurance Co. Ltd., Royal Exchange Assurance. Sd/— Group Joint Branch Manager |
| | Eagle Star Insurance Co. Ltd. Sd/— for Manager for India. |
| Witness ; | For and on behalf of Norwich Union Fire Insurance Society Ltd. Sd/— Western Zone Manager |
| Sd/—R.S. LOBO. | The General Insurance Employees' Union Western Zone, Bombay. Sd/— K.S. B. Pillai, General Secretary |
| Submitted to the Tribunal. | For the General Insurance Employees Union Sd/— J. G. Kothare 4-11-60 |
| Sd/—S. V. MOKASHI. | |

SCHEDULE "A"

Statement showing Classification of Clerical Staff employed by the Companies in Bombay

1. Commercial Union Assurance Company Limited. The Northern Assurance Company Limited, The Employers' Liability Assurance Corporation Limited.

(i) Employees who are at present in scale No. 1 will be placed in the general clerical grade.

(ii) Employees who are at present in scale No. 2 will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of sectional heads or top grade will be placed in the special clerical grade.

2. The South British Insurance Company Limited.

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

3. Royal Insurance Company Limited, The London and Lancashire Insurance Company Limited, The Liverpool and London and Globe Insurance Company Limited, The Central Insurance Company Limited.

(i) Employees who are at present in Grade I and Grade II will be placed in the general clerical grade.

(ii) Employees who are at present in Grade III will be placed in the special clerical grade.

4. Guardian Assurance Company Limited, Caledonian Insurance Company Limited,

(i) Employees who are at present in the lower clerical grade (88/335) will be placed in the general clerical grade. The two record-clerks will also be placed in the general clerical grade.

(ii) Employees who are at present in the grade of 'sectional heads' will be placed in the special clerical grade.

5. The Home Insurance Company.

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

6. Legal and General Assurance Society Limited.

(i) Employees who are at present in the clerical grade of Rs. 80/342½ will be placed in the general clerical grade.

(ii) Two employees who are working as heads of departments will be placed in the special clerical grade.

7. Phoenix Assurance Company Limited.

(i) Employees who are at present in the lower clerical grade will be placed in the general clerical grade.

(ii) Employees who are in the middle clerical grade will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of sectional heads will be placed in the special clerical grade.

8. Alliance Assurance Company Limited, Sun Insurance Office Limited.

(i) Employees who are at present in the clerical grade "A" will be placed in the general clerical grade.

(ii) Employees who are at present in the "Special grade" will be placed in the special clerical grade.

9. The New Zealand Insurance Company Limited.

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the "run off" grade.

(iii) Employees who are at present in the grade of head clerks will be placed in the special clerical grade.

10. Atlas Assurance Company Limited. Royal Exchange Assurance.

(i) Employees who are at present in grades up to Rs. 215/- and Rs. 335/- will be placed in the general clerical grade.

(ii) Employees who are at present heads of departments will be placed in the special clerical grade.

11. Fire Star Insurance Company Limited.

(i) Employees who are at present in grade "B" will be placed in the general clerical grade.

(ii) Employees who are at present in grade "A" will be placed in the special clerical grade.

12. Norwich Union Fire Insurance Society Limited, Scottish Union and National Insurance Company, Maritime Insurance Company Limited.

The Classification of the clerical staff will be as shown in Schedule "B" hereto.

SCHEDULE "B"

Norwich Union Fire Insurance Society Ltd., The Scottish Union and National Insurance Co. Ltd.
Maritime Insurance Co., Ltd.

Basic salaries of clerical staff and subordinate staff after due adjustment/fitment
as per the settlement as on 1st May 1968

| Name | Grade | Basic monthly salary |
|----------------------------|------------------------|----------------------------|
| <i>Clerical Staff :</i> | | |
| 1. Mr. J. B. Ramos | Special clerical grade | Rs. 525 00 |
| 2. Mr. B. S. Malankar | " | 4 0 00 |
| 3. Mr. R. K. Kadrekar | " | 475 00 |
| 4. Mr. A. R. Nagar | " | 25 00 |
| 5. Mr. R. M. Lobo | " | 400 00 |
| 6. Mr. E. Rodrigues | " | 400 00 |
| 7. Mr. R. R. Tondwalkar | " | 400 00 |
| 8. Mrs. G. K. Ghandhi | " | 350 00 |
| 9. Mr. M. K. Tantra | General clerical grade | 340 00 |
| 10. Mr. P. H. Jhaveri | " | 320 00 |
| 11. Mr. R. A. Kulkarni | " | 340 00 |
| 12. Mr. D. N. Muranjan | " | 340 00 |
| 13. Mr. D. R. Mhatre | " | 340 00 |
| 14. K. R. Kudtarkar | " | 270 00 |
| 15. Mr. A.X. Rego | " | 270 00 |
| 16. Mr. A. S. Kurlekar | " | 310 00 |
| 17. Mr. P. P. Jacinto | " | 285 00 |
| 18. Mr. D. G. Rao | " | 320 00 |
| 19. Mr. S. R. Paes | " | 200 00 |
| 20. Mr. G. T. Shelar | " | 150 00 |
| 21. Mr. V. S. Mistry | " | 130 00 |
| 22. Mrs. S. Sampson | " | 150 00 |
| <i>Subordinate Staff :</i> | | |
| 1. Mr. S. S. Shinde | | 97 00 |
| 2. Mr. S. A. Khamkar | | 69 00 |
| 3. Mr. M. Vataria | | 69 00 |
| 4. Mr. M. Yusuf (Driver) | | 125 00 |

[No. F.74(15)/64-LRIV(LRI).]

S. S. SAHASRANAMAN, Under Secy.

(Department of Labour and Employment)

New Delhi, the 22nd December 1969

S.O. 35.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947) the Central Government hereby publishes the following award of the Industrial Tribunal, Calcutta in the industrial dispute between the employers in relation to Messrs M. Samiuddin and Brothers, Labour Contractor and their workmen, which was received by the Central Government on the 17th December, 1969.

CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, CALCUTTA

REFERENCE No. 63 OF 1969

PARTIES :

Employers in relation to Messrs M. Samiuddin and Brothers, Labour Contractors to Srat Chatterjee and Company Private Limited, Stevedores, Calcutta,

AND

Their workmen.

PRESENT :

Shri B. N. Banerjee, Presiding Officer.

APPEARANCES:

On behalf of Employers—Absent.

On behalf of workmen—Shri P. K. Ganguly, Working President of the National Union of Waterfront Workers.

STATE: West Bengal.

INDUSTRY: Port & Dock.

AWARD

By Order No. 28/35/69-LWI.III, dated August 16, 1969, the Government of India, in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment), referred an industrial dispute between the employers in relation to Messrs. M. Samiuddin and Brothers Labour Contractors to Sarat Chatterjee and Company Private Limited, Stevedores, Calcutta, and their workmen, to this Tribunal, for adjudication, namely:—

“Whether the Seventeen cleaning gang employees named below holding Dock Permits through Messrs. J. N. Mukherjee and Company Private Limited are entitled to claim employment from their employers Messrs M. Samiuddin and Brothers on the vessels of Polish and Danish Lines, Stevedores by Messrs. Sarat Chatterjee and Company Private Limited?

‘Names of the employees’

1. Md. Tamruddin.
2. Md. Namruddin.
3. Md. Kamruddin.
4. Md. Taslim
5. Md. Israfil.
6. Sri Swapan Das.
7. Md. Abdul Majit.
8. Md. Sabir.
9. Md. Saheed.
10. Md. Saheb Ali.
11. Md. Ibrahim.
12. Md. Mustafa.
13. Md. Zakeer.
14. Md. Md. Kalim
15. Md. Nazim.
16. SK. Waheb, and
17. Md. Mainuddin’

2. In spite of several endeavours, notice upon Messrs M. Samiuddin and Brothers could not be served by this Tribunal. Today an application was made before this Tribunal on behalf of National Union of Waterfront Workers stating that M. Samiuddin and Brothers ceased to exist as Labour contractors of Messrs Sarat Chatterjee & Company Private Limited. That being the position, it was further stated that the industrial dispute that arose between M. Samiuddin and Brothers and their workmen also ceased to exist. There was prayer made in such circumstances for a ‘No dispute’ award in this reference. I make an award accordingly.

Let the above referred to application form part of this award.

(Sd.) B. N. BANERJEE,
Presiding Officer.

December 10, 1969.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL,
CALCUTTA.

In the matter of Ref. No. 63 of 1969.

AND

In the matter of an Industrial Dispute

BETWEEN

Employers in relation to M/s. M. Samiuddin and Bros., Labour Contractors to M/s. Sarat Chatterji & Co. (P) Ltd., Stevedores, Calcutta.

AND

Their workmen as represented by the National Union of Waterfront Workers, 10, Mohan Chand Road, Calcutta-23.

The Union abovenamed most respectfully shewith:

1. That the employers in the instant reference, namely, M/s. Samiuddin & Brothers. have ceased to exist as Labour contractors to M/s. Sarat Chatterji & Co. (P) Ltd.

2. That in the above circumstances the industrial dispute that arose between M/s. Samiuddin & Bros., and their workmen as represented by the National Union of Waterfront Workers has also ceased to exist.

3. That in the circumstances the Union prays that a 'no dispute' award may be given in the instant reference. And for which act of kindness, as in duly bound, the union shall ever pray.

(Sd.) P. K. GHANGULY,
Working President,

National Union of Water Front Workers.

[No. 28/35/69-LWI.III/Fac.II.]

ORDER

New Delhi, the 22nd December 1969

S.O. 36.—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the Management of M/s. Devarajooloo Naidu & Son, Madras-1 and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby constitute an Industrial Tribunal of which Shri Swami Kannu shall be Presiding Officer with headquarters at Madras and refers the said dispute for adjudication to the said Tribunal.

SCHEDULE

1. Whether the management of M/s. P. Devarajooloo Naidu & Son, Madras-1 are paying Dearness Allowance to the monthly paid office staff employed by them according to the recommendations of the Wage Board appointed under Government of India's Resolution No. W.B.-21(4)/64, dated 13th November, 1964 and if not, what is the relief to which the workers are entitled and from which date?
2. Is the existing structure regarding designation and classification of the monthly paid staff by the Management of M/s. P. Devarajooloo Naidu & Son, Madras-1, satisfactory? If not, what should be the proper designation and classification and from which date should it be effective?
3. What should be the seniority of the monthly paid staff employed by M/s. P. Devarajooloo Naidu & Son, Madras-1 and from which date should the seniority take effect.
4. Whether the Management of M/s. P. Devarajooloo Naidu & Son, Madras-1, are justified in paying bonus for the years 1966-67 and 1968 at the rate of 4 per cent. to its employees? If not, what should be the quantum of bonus and from which date should it be paid?
5. Whether the management are justified in paying only 6½ per cent. as Provident Fund Contribution to their staff? If not, what should be the rate of contribution?"

[No. 29/60/69-Fac.II.]

C. RAMDAS, Dy. Secy

(Department of Labour and Employment)

New Delhi, the 22nd December 1969

S.O. 37.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Central Government Industrial Tribunal, Jabalpur, in the industrial dispute between the employers in relation to the management of New Chirimiri Ponri Hill Colliery, Post Office Chirimiri, District Surguja (Madhya Pradesh) and their workmen, which was received by the Central Government on the 17th December, 1969.

CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL-CUM-LABOUR COURT
JABALPUR

Dated the December 4, 1969

PRESENT:

Shri G. C. Agarwala, Presiding Officer.

CASE REF. No. CGIT/LC(R) (144) of 1967.

PARTIES:

Employers in relation to The New Chirimiri Ponri Hill Colliery, P.O.
Chirimiri, District Surguja (M.P.).

Versus

Their Workmen represented through the General Secretary Madhya Pradesh
Colliery Workers Federation, Chirimiri, M.P.

APPEARANCES:

For employers—Shri G. Srinivasan, Chief Mining Engineer of the Colliery.

For workmen—Shri Gulab Gupta, General Secretary, Madhya Pradesh, Colliery Workers Federation, Chirimiri, M.P.

INDUSTRY: Coal.

DISTRICT: Surguja (M.P.).

AWARD

The Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) Government of India, referred the following matter of dispute as stated in the schedule to the order of reference, to this Tribunal for adjudication *vide* Notification No. 5/7/67-LRIL, dated 10th October, 1967.

Matter of Dispute

- (1) Whether the management of the New Chirimiri Ponri Hill Colliery was justified in keeping the following 97 workers, as badlist? If not to what relief are the workmen entitled?

1. Charkoo s/o Amarsai.
2. Gobardhan s/o Mohan.
3. Bandhanram s/o Badhran.
4. Nan s/o Dalli.
5. Dilbhagat s/o Bamfar
6. Hiranman s/o Jagasai.
7. Rajoodas s/o Jagasai.
8. Nan Pradahan s/o Thakurdas.
9. Bahabam s/o Ghasiram.
10. Ramadhin s/o Bhokloo
11. Jaita s/o Sudhiram
12. Kusia s/o Sitaram.
13. Sadhran s/o Etbal.
14. Bodhan s/o Kishun.
15. Akaloodas s/o Ashadas.
16. Sundarlal s/o Munnua.
17. Autram s/o Bodhran.
18. Mangaldas s/o Bhaira.
19. Bechan s/o Karmu.
20. Mangalsai s/o Hingal.
21. Lachman s/o Ransu.
22. Sitaram s/o Subran.
23. Bravandas s/o Raghunath
24. Piledas s/o Durga.
25. Chamloo s/o Panchram.
26. Sital s/o Sukhiram.
27. Ranlal s/o Harinath.
28. Bhagiram s/o Budhu.
29. Magram s/o Guni.
30. Panchram s/o Firat.
31. Sadhran s/o Dhanl.
32. Bishoo s/o Ramsingh.
33. Jotiram s/o Mithoo.
34. Gowrisankar s/o Rajman.
35. Hiralal s/o Subraj.
36. Nanhoo s/o Burai.

37. Nathoo s/o Jugatram.
 38. Fulsai s/o Malikram.
 39. Khedu s/o Mansai.
 40. Jitan s/o Sukdeo.
 41. Laxhu s/o Sohar.
 42. Sonesai s/o Chamru.
 43. Mansai s/o Arjuno.
 44. Pancaram s/o Nanki.
 45. Mangloo s/o Ghurbin.
 46. Jhangulee s/o Bulloo.
 47. Tungan s/o Meghava.
 48. Ghursai s/o Gahavar.
 49. Gajadas s/o Holesai.
 50. Basant s/o Bhairi.
 51. Dhirsai s/o Debia.
 52. Pancham s/o Dhansai.
 53. Dhaniram s/o Bisahoo.
 54. Chandansai s/o Subrao.
 55. Deokaran s/o Guha.
 56. Udayram s/o Rungta.
 57. Lokesram s/o Khedu.
 58. Mansai s/o Bhaiga.
 59. Jagdish s/o Jaimangal.
 60. Sonu s/o Kaileswar.
 61. Baldeo s/o Mohit.
 62. Mangalsai s/o Somarasai.
 63. Bhujbal s/o Kusta.
 64. Lalooram s/o Jagmohan.
 65. Manbisram s/o Kesoram.
 66. Lalsai s/o Rupsai.
 67. Motilal s/o Sudarsanram.
 68. Dhaneswar s/o Ramdhin.
 69. Bisahoo s/o Ramsingh.
 70. Suna s/o Jharia.
 71. Bandhan s/o Kaileswar.
 72. Mohan s/o Jhumuk.
 73. Holiram s/o Amaru.
 74. Jaslal s/o Khurchul.
 75. Mangalsai s/o Bodhram.
 76. Bodhram s/o Dhamsai.
 77. Bhajan s/o Bodhan.
 78. Janak s/o Somaru.
 79. Sonesai s/o Kasidas.
 80. Jailal s/o Akaloo.
 81. Bisambar s/o Samundram.
 82. Jethooram s/o Bhaneswar.
 83. Kamalsai s/o Thunga.
 84. Seobaran s/o Dhansai.
 85. Bhikarilal s/o Nandlal.
 86. Ramjee s/o Sadhram.
 87. Ramgopal s/o Sukhram.
 88. Raghubir s/o Lochan.
 89. Chotelal s/o Nanki.
 90. Tekram s/o Mahangu.
 91. Balamram s/o Sohan.
 92. Dhansai s/o Bisahoo.
 93. Jogeswar s/o Mayaram.
 94. Bifalsai s/o Bhaira.
 95. Sardar Singh s/o Majhiram.
- (2) Whether the existing diet charge of Rs. 1.31 per day paid by the management for one worker patient in the hospital needs upward revision? If so, at what rate?
 - (3) Whether the workers are entitled to the provision of ambulance or other transport facilities by the management for reaching hospitals in serious cases of sickness or accident? If so, to what relief are the workmen entitled?
 - (4) Whether the workers employed on Sundays are entitled to be paid wages at twice their ordinary rate of wages? If so, from what date?

- (5) Having regard to the terms of the mutual settlement dated the 18th March, 1966, arrived at between the management and their workmen represented by the M.P. Colliery Workers Federation, whether the demand of the workers for payment of arrears is justified? If so, from what date?

2. The dispute was sponsored by Surguja Koyala Khan Karamchari Sangh. As such after reference was received notices were issued to the management and to this Union. After a few dates of hearing a compromise petition was filed on 31st January, 1968, signed by Rashamchand as President and Sri H. B. Chakravarty as Secretary for the Union and Sri G. Srinivasan and Sri P. S. Karwatkar for the management. All the five demands were settled by this Union on payment of Rs. 3,000/- by the management. On the basis of this settlement which was accepted an award was recorded on 7th February, 1968, and which was duly published in Government of India Gazette dated 24th February, 1968. After the award was published one Shital filed a writ petition in the Hon'ble High Court and the award was quashed by an order of the Hon'ble Court dated 8th October, 1968. On remand notices were issued again not only to the Surguja Koyala Khan Karamchari Sangh but also to another Union, M.P. Colliery Workers Federation which had taken up the case of Sri Shital, the Petitioner before the Hon'ble High Court. This Union, M.P. Colliery Workers Federation continued to appear and Surguja Koyala Khan Karamchari Sangh later on absented. There was some dispute as to who were the office bearers of this Union, and after a determination of the question those who were allowed to represent also did not turn up at a later stage of the proceedings. The management took up certain preliminary objections and these were disposed of by an order, dated 15th April, 1969. A copy of the order is annexure A to this award. After statements of claim were filed by this Union and documentary evidence had been tendered some oral evidence of the management was also recorded on commission. When the case was taken up for further evidence on 3rd December, 1969, it was intimated that there were negotiations for a settlement and the hearing be adjourned for next day. Now that the case has been taken up both parties filed a compromise petition which is annexure B to the award. I have examined the terms of this agreement one by one and have heard Sri Gulab Gupta on behalf of Madhya Pradesh Colliery Workers Federation. The Issue No. 1 under reference regarding Badli workers has been amicably settled not only for the workers under reference but also for others. For Issue No. 2, the workers have gained by compromise inasmuch as the diet charges would be paid to all the indoor patients who may be employees of the Colliery. For Issue No. 3, the management has agreed to provide ambulance as and when necessary. Issue No. 4 already stands settled by necessary amendment under the certified Standing Orders and therefore the demand was not pressed. In Issue No. 5, there seems to be an accidental error in the date which should be 18th March, 1965 and not 18th March, 1966 as mentioned in the issue under reference. This Union had already entered into a settlement and it was the other Union which wanted the payment of arrears. This other Union Surguja Koyala Khan Karamchari Sangh absented and the demand was, therefore, not pressed. The compromise settlement now reached with the Madhya Pradesh Colliery Workers Federation is a fair and just settlement of all the disputes under reference and I accept the same for basis of the award.

Decision.—It is, therefore, directed that the issues under reference shall be and are hereby decided as compromised by memorandum of agreement dated 4th December, 1969, and which forms part of the award as annexure B.

(Sd.) G. C. AGARWALA,
Presiding Officer.
4-12-1969.

ANNEXURE 'A'

CASE No. CGIT/LC(R) (144)/67

ORDER

New Delhi, the 15th April, 1969

After the award has been quashed by the order of the Hon'ble High Court the management have pressed that the Tribunal should decide their preliminary objections before embarking upon the determination of the issues under reference on merits.

The first objection which has been pressed is that the reference has been made on dispute raised by Surguja Koyala Khan Karamchari Sangh. Consequently, it was urged that no other union should be permitted to be impleaded as parties to the reference. In particular, objection is raised for appearance of M.P. Colliery Workers Federation. It was further stated that workmen in individual capacity should also not be permitted to be heard. The objection is based on a misconception. The parties to the reference are the management of the colliery on one side and their workmen on the other side as is stated in the first paragraph to the order of reference. Allowing another union to be heard and represent the workmen is not impleading a new party. It is more a question of representation under Sec. 36 I.D. Act than impleading a party to the proceedings. On behalf of the management lengthy arguments citing a plethora of cases most of them are irrelevant and have no bearing on the subject had been filed on 12th March, 1969. Ram Prasad Vishwakarma case of the Supreme Court (1961-I-LLJ p. 504) which had been pressed is clearly distinguishable and the facts were different. There the case of a single workman had been sponsored by a union and which was compromised by the Union with the management. The workman concerned challenged this compromise without his authority and consent. It was in that context that the Hon'ble Supreme Court made the pertinent observation:—

"While it will be unwise and indeed impossible to try to lay down a general rule in the matter, the ordinary rule should, in our opinion, be that such representation by an officer of the trade union continue throughout the proceedings in the absence of exceptional circumstances which may justify the tribunals to permit other representation of the workman concerned."

From the above observation itself it is clear that no general rule was laid down by the Hon'ble Supreme Court that no other mode of representations of workman concerned could be permitted. In *Burmah Shell Oil Storage and Distributing Co. of India* (1960-II-LLJ p. 124 at page 127) there is an observation of the Hon'ble Court that "It is true that under Sec. 36 it is open to the employees whose dispute has been referred for industrial adjudication to appear either individually or through their union, but Sec. 36 of the Act postulates a valid reference being made on behalf of the employees concerned." Representation by individual workman is clearly envisaged by this observation which somehow failed to attract notice in subsequent cases. The point was, however, specifically considered in *Hotel Imperial* case (1959-II-LLJ p. 553) wherein it was observed "that, however, did not preclude the workmen, if they wanted to be represented by another union, to apply to the tribunal for such representation or even to apply for being made parties individually." The fact that the Calcutta High Court in two cases *Rajdeo Prasad Vs. State of West Bengal* (1962-I-LLJ p. 618) and *Jahangir Kabir Vs. Fourth Industrial Tribunal, West Bengal* (1963-I-LLJ p. 751) followed Ram Prasad Vishwakarma's case and disallowed representation to as many as 171 workmen in the former case and *manjhis* and *dandies* through other unions does not militate against the authority of *Hotel Imperial* case. Even Vishwakarma's case left the discretion with the tribunal to allow representation through other modes and this is one of such cases. The S.K.K.K. Sangh which sponsored the dispute did not pursue the dispute and the Secretary, Sri Chakravarty, compromised with the management on accepting a sum of Rs. 3,000/-. That furnished a cause of dissatisfaction of the workmen and one of the Badli workmen, Shital, applied to the Hon'ble High Court under Articles 226 and 227 of the Constitution. The observations of the Hon'ble Court indicate that the compromise has not been treated as *bona fide* one and consequently other modes of representation that only through Surguja Koyala Khan Karamchari Sangh, Kurasia Colliery, Distt. Surguja will have to be permitted to the workmen. For these reasons M.P.C.W.F. has been permitted to file a written statement and all such workmen who are not members of the Union have also been allowed to be heard. Apart from the question of representation under Sec. 36 I.D. Act, workmen being already parties to the dispute this is also permissible under Sec. 18(3)(b) I.D. Act. The objection of the management is, therefore, overruled.

It has next been argued by the management's representative, though not specifically mentioned in the lengthy written arguments dated 10th March, 1969, that the jurisdiction of the Tribunal is circumscribed by the order of the Hon'ble High Court in first determining the fairness and justifiability of the manner in which the five dispute under reference have been settled. This is not warranted by the judgment of the Hon'ble High Court. It is implied in the order that the compromise with the Union had not been found to be *bona fide* and therefore the award based on that basis has been quashed. The compromise on the face of it smacks collusion with the office bearers of the sponsoring union. There is no statement how each dispute has been settled and only a lumpsum payment of Rs. 3,000/- is

stated as consideration for settlement of the disputes. Such a settlement of dispute evidently is not a real settlement for the benefit of the workers and cannot be accepted. It is, therefore, not necessary to go into the question of the fairness of the compromise. The point stands concluded by the judgment of the Hon'ble High Court and from the terms of the compromise settlement itself. The parties are, therefore, now called upon to produce relevant evidence on merits of the dispute.

Before recording oral evidence in the case it seems desirable that the parties should be required to file all documentary evidence which they may like to tender in their support. The management is further directed to produce the Badli Register showing the names of all the Badli workers and shall also file a statement showing the length of service of each of the concerned Badli workmen covered by Issue No. 1. This may be done on 22nd April, 1969 which is now fixed for further orders. Parties be informed.

Part of Award

(Sd.) G. C. AGARWALA,
Presiding Officer.

ANNEXURE B

MEMORANDUM OF AGREEMENT

Name of parties

Representing Employers—G. Srinivasan Chief Mining Engineer New Chirimiri Ponri Hill Colliery, P.O. Chirimiri, M.P.

Representing Workmen—Gulab Gupta General Secretary Madhya Pradesh Colliery Workers Federation, Chirimiri, M.P.

Short Recital of the Case

The Government of India by an order dt. 10th October, 1967 made a reference of 5 industrial disputes to the adjudication of the Industrial Tribunal, Jabalpur. In the beginning the case was contested by Surguja Khan Karamchari Sangh which Union compromised the dispute by an agreement dt. 28th January, 1968 and was disposed off by an award of dt. 7th February, 1969. On a petition to the High Court of Madhya Pradesh by Shri Shital s/o Sukhi Ram the said award was quashed and the case remanded to the Tribunal for adjudication. On remand the workmen including Shri Shital were represented by M.P. Colliery Workers Federation, Surguja Khan Karamchari Sangh stopped appearing before the Tribunal. The M.P. Colliery Workers Federation and the management considering their intention to establish industrial peace and friendly relations mutually discussed the industrial disputes and reached an agreement in the following terms:—

Terms of Settlement

Item No. 1: of the order of reference

(A) It is agreed by and in between the management and the Union that a list of all Badli workers as on 1st December, 1969 shall be prepared by the management in consultation with the Union on the basis of record of the Colliery. This new list would also include 97 workers of the reference order or such number as has not been made permanent so far. The names in the list shall be arranged in accordance with the seniority to be counted from the date when they first joined the Colliery.

(B) The management agrees to make first 51 available Badlis permanent in accordance with their seniority as per list in para (A) above.

(C) It is further agreed that in case any permanent vacancy arises, in future the same shall be filled from the Badlis whose name appear in list (A) above in accordance with their seniority.

(D) The strength of permanent workers shall be reviewed and fixed every quarter by mutual agreement between the parties taking into consideration, job requirement production and other relevant factors. The employment so provided will be offered to the available workers in the Badli list as per para (A) in accordance with their seniority.

(E) The management has already submitted that they are even now giving benefits like attendance and profit bonuses, leave with wages, return train fare, medical help, paid festival holidays etc. The management agrees to continue giving these benefits to all badli workers as per their eligibility in future also.

(F) The management has already confirmed 24 workers out of the order of reference on the basis of their seniority their names appear in list annexed to this agreement. The Union having verified the same is satisfied with the same.

Item (2).—The management has been so far giving only supplement diet as Rs. 1-31 Ps. per day to the indoor patient at the discretion of Colliery Doctor. The Union had demanded diet to all indoor patients at increased rates. Considering the sick benefits to the workers, it is hereby agreed that diet worth Rs. 1-31 Ps. per day shall be supplied to all indoor patients. This facility will be available to the Colliery's employees only.

Item (3).—The management had submitted that they are providing necessary conveyance to the Colliery workers and their dependants when they are required to attend the regional Hospital at Kurasia. It is, therefore, agreed to continue this facility. Individual cases of hardship if any may be brought to the notice of the management who will do the needful in the matter.

Item (4).—This matter is covered by the provisions of certified standing orders which are being fully implemented. The demand is, therefore, not pressed.

Item (5).—This demand is already covered by the agreement dated 18th March, 1965 in between the parties and hence it is not pressed.

It is, further, agreed that this agreement be filed before the Central Government Industrial Tribunal Jabalpur with a prayer for an award in terms thereof.

JABALPUR.

Dated 4th December, 1969.

(Sd.) GULAB GUPTA,

For the workmen

(Sd.) G. SRINIVASAN,
Chief Mining Engineer,
N.C.P.H. Colliery,
for the Employers.

Part of Award

Witnesses:

(Sd.)
Presiding Officer,
Industrial Tribunal-cum-Labour Court,
(Central), Jabalpur.

ANNEXURE TO AGREEMENT Dt. 4TH DECEMBER 1969.

List of Badli Workers in Reference Order Already Confirmed being:

1. Charkoo s/o Amarsai—Line Mazdoor.
2. Gobardhan s/o Mohan—Line Mazdoor.
7. Rajoodas s/o Thakurdas—General Mazdoor.
8. Nan Pradhan s/o Ramsai—Timber Mazdoor.
15. Akoloodas s/o Ashadas—Timber Mazdoor
17. Antram s/o Bodhran—General Mazdoor.
19. Bechan s/o Karmu—Timber Mazdoor.
20. Mongalsai s/o Hingal—Line Mazdoor.
21. Lachman s/o Ransu—Timber Mazdoor.
24. Pilladas s/o Durga—General Mazdoor.
79. Bhajan s/o Bodhan—Timber Mazdoor.
81. Sonsai s/o Kusidas—Timber Mazdoor.
83. Bisambar s/o Samundram—Timber Mazdoor.
85. Kamalsai s/o Thunga—Timber Mazdoor.
86. Sheoharan s/o Dhansai—Timber Mazdoor.
87. Bikarilal s/o Nandlal—Timber Mazdoor.
89. Ramgopal s/o Sukhran—Timber Mazdoor.
90. Ragbir s/o Lochan—Timber Mazdoor.
91. Chotelal s/o Nanki—Timber Mazdoor.
92. Tekram s/o Mahangu—Timber Mazdoor.

94. Dhansai s/o Bisahu—Timber Mazdoor.
 95. Jogeshwar s/o Mayaram—Timber Mazdoor.
 96. Bifalsai s/o Bhaira—Timber Mazdoor.
 97. Sardarsingh s/o Majhram—Timber Mazdoor.

(Sd.) GULAB GUPTA,
 For the Workmen.

(Sd.) G. SRINIVASAN,
 for the Employers.

Part of Award

JABALPUR
 Presiding Officer,
 (Central), Jabalpur.
 [No. 5/7/67-LRII.]

S.O. 38.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of Shri V. P. Pratap, Arbitrator, in the industrial dispute between the employers in relation to the management of Messrs Rewa Coalfields Limited (Burhar and Amlai Collieries), Post Office Dhanpuri, District Shahdol (Madhya Pradesh), and their workmen, which was received by the Central Government on the 17th December, 1969.

ARBITRATION AWARD

(Under Section 10-A of the Industrial Disputes Act, 1947)

[In the matter of an industrial dispute between the management of M/s. Rewa Coalfields Ltd. (Burhar and Amlai Collieries) P.O. Dhanpuri, Distt. Shahdol and their workmen represented by Burhar Colliery Mazdoor Sabha, P.O. Dhanpuri, Distt. Shahdol.]

PRESENT:

Shri Ved Prakash Pratap, Assistant Labour Commissioner (C), Jabalpur,
 Arbitrator.

APPEARANCES:

Representing Employers—Shri Ujagar Singh, Personnel Officer, M/s. Rewa Coalfields Ltd.

Representing Workmen—Shri P. K. Thakur, Vice President, Burhar Colliery Mazdoor Sabha, P.O. Dhanpuri, Distt. Shahdol, (MP).

AWARD

Under Arbitration Agreement dated 24th May, 1969 entered into between the above parties under Section 10-A of the Industrial Disputes Act, 1947 and published by Government in the Gazette of India under order No. 8/36/69-LRII dated 16th July, 1969 the following dispute was referred to me for arbitration:—

“Whether the dismissal of Smt. Dasmal Bai, Creche Ayah by the management of Rewa Coalfields Ltd., (Burhar and Amlai Collieries), P.O. Dhanpuri, Dist. Shahdol (MP) with effect from 27th December, 1967 is justified? If not, to what relief is she entitled?”

As per the last para of the arbitration agreement I was required to give my award within 3 months or within such further time as is extended mutually by the parties in writing. The date for submission of the award was extended mutually by the parties in writing upto 31st December, 1969.

On receipt of the arbitration agreement parties were required to submit brief and self-contained statements of their case and also their rejoinders with copies to the opposite parties. After receipt of the pleadings as stated above from both the parties, they were called for necessary discussions over the preliminary legal objections raised by the management. These objections were:—

- (a) Whether the union had any *locus standi* to raise the dispute; and
- (b) Whether the workman was a member of the union on the date of his dismissal.

Before examining the dispute on merits it was decided by the undersigned to hear and dispose off the preliminary objections raised by the management first. Both the parties were heard in this respect on 1st August, 1969. The managements' argument was that dismissal regarding one workman cannot gain the characteristic of an industrial dispute unless the union had substantial membership in the establishment and the worker was a member of the union on the date of her dismissal. According to the management a dispute under Section 2-A of the Industrial Dispute Act could only be taken up by the workman herself. In this connection may attention was also invited to the observations contained in award dated 17th April, 1967 of CGIT Jabalpur in the case of Kanhan Valley Coal Co. Ltd. Dhamua Colliery Vs. their workmen and in another award dated 29th April, 1969 of CGIT Jabalpur in the case of M/s. Ballarpur Collieries Company, Bissessor House, Temple Road, Nagpur Vs. their workmen. The management also invited my attention to the observations of Punjab High Court in the case of Khadi Gramudiyog Bhawan Workers Union and Krishnamurty (E) and another (1966-II LLJ. 261) and the arbitration award dated 21st March, 1968 of Shri P. C. Rai Regional Labour Commissioner (C), Jabalpur (S.O. No. 1154) published in the Gazette of India dated 30th March, 1968. The managements' contention was that membership of a union which can entitle it to espouse the cause of a workman must be one anterior to the date of dismissal and not subsequent to it. The management also informed that as per observations contained in the case of workmen of Dimakuchi Tea Estate Vs. Dimakuchi Tea Estate (1958-I LLJ-500):—

"The person regarding whom the dispute is raised must be one in whose employment, non-employment, terms of employment, parties to the dispute have a direct or substantial interest."

It was asserted that Smt. Dasmata Bai was dismissed on 27th December, 1967 and the union raised dispute under letter dated 13th January, 1968. It shows that the union had no direct or substantial interest at the time of dismissal of Smt. Dasmata Bai.

The argument of the union was that the observations of CGIT Jabalpur and arbitrator which are only quasi-judicial in nature, cannot be quoted in law. As per the latest ruling given by the Divisional Bench of the Allahabad High Court in the case of WIMCO Vs. WIMCO Workers Union [Page 67-F.L.R.-1968(17)], "an office bearer of the union can take up the dispute and it is sufficient to convert an individual dispute into an industrial dispute."

No ruling was cited by the management before me wherein the question of espousal of an industrial dispute concerning the dismissal of a workman *vis-a-vis* provisions of Section 2-A of the Industrial Disputes Act, 1947 had been examined. Keeping in view the provisions of Section 2-A of the Industrial Disputes Act, a dispute between a workman and his employer with regard to his discharge, dismissal, retrenchment or termination is to be deemed to be an industrial dispute irrespective of the fact that no other workman nor any union is a party to the dispute. As regards espousal, we have to look to the provisions of Section 36(I)(a) of the I.D. Act, 1947 according to which a workman may be represented by an officer of a registered trade union of which he is a member. I am of the view that representation includes raising of a dispute before the authorities prescribed under the Industrial Disputes Act.

As regards the crucial date on which the workman should have been a member of the union, the management had contended that the workman must have been a member of the union on a date anterior to her dismissal. In this connection the following cases were cited by the management:—

- (1) Khadi Gramudiyog Bhawan Workers Union and Krishnamurty (E) and another—Punjab High Court (1966-II LLJ-261).
- (2) Padarth Ratnam and Co.—Andhra High Court (1958-II LLJ 290).

In this respect my attention was invited by the union to the decision of the Division Bench of Allahabad High Court in the case of WIMCO Vs. WIMCO Workers Union [Page 67-F.L.R. 1968 (17)]. The Hon'ble High Court had fully examined the rulings of Punjab and Andhra High Courts quoted above in this case and disagreed. The Hon'ble Allahabad High Court held that the crucial date is the date of reference as also held by the Patna High Court (Division Bench) in the case of Jamadoba Colliery (1967-II LLJ 663).

No other ruling or observation of any court was brought to my notice. The preliminary objections raised by the management were, therefore, rejected and it was held that espousal of the dispute by the union was valid.

In this connection it may be stated that the issue whether Smt. Dasmāt Bai was a member of the union on the date of reference was not raised by the management.

After the preliminary objections of the management were rejected by me, following issues were framed on the basis of the pleadings of the parties on 30th August, 1969:—

1. Can the domestic enquiry be said to be unfair because:—

- (a) the enquiry officer did not call the Agent and the Assistant Chief Medical Officer to adduce evidence on the request of the workman.
- (b) As per the chargesheet the workman was not asked to submit her explanation to the charges levelled against her but was only asked to explain as to why disciplinary action be not taken against her
- (c) A copy of the report made by Sri Ram Lakhan Shukla was not given to the workman.

(2) Whether the workman was denied the right of self defence; and

(3) Whether the findings of the enquiry officer are perverse and *mala fide*.

On 13th November, 1969, when the proceedings were fixed for recording of oral evidences, the union came forward and stated that in view of issue No. 1, issue No. 2 was not pressed. It was further stated that both the parties may not lead any evidence as issue Nos. 1 and 3 are only legal and they want to contest only on legal points on the basis of documentary evidences produced by both the parties. As desired by them it was considered proper to treat the evidence as closed. Parties were allowed time upto 25th November, 1969 to file their written argument and 28th November, 1969 was fixed for oral arguments. Written arguments were received from the management but not from the union. Oral arguments were finally held in this case on 27th November, 1969 and proceedings were closed.

Before I examine the issues framed, I consider it proper to give in nut-shell the history of the case. Smt. Dasmāt Bai was chargesheeted by the management under letter dated 2nd December, 1967 for major misconduct under clause 17(i)(a) and (d) of the standing orders, which read as under:—

17(i)(a): *Theft, fraud or dishonesty* in connection with employers' business or property.

(d): *Habitual late attendance and habitual absence without leave or without sufficient cause.*

The imputation of charge was that while she was in sick list from 16th October, 1967 to 26th October, 1967 she left the place during the period without permission for her native place on or about 19th October, 1967 and came back on or about 24th October, 1967. During this period she managed to get her attendance booked in the register of colliery hospital through proxy which showed her fraudulent behaviour and dishonesty in connection with company's business. As regards unauthorised absence certain dates were mentioned therein for different months from August, 1965.

She submitted a reply on 4th December, 1967, denying the charge. Thereafter domestic enquiry was held by Shri S. D. Singh, Labour Officer on 15th December, 1967. On 13th December, 1967, she made a representation to the management requesting to be represented in the domestic enquiry by Burhar Colliery Mazdoor Sabha of which she was a member. She also, through that letter, withdrew the reply and expressed the desire to submit a fresh reply. According to the management she attended the enquiry partly on 15th December, 1967. The enquiry was adjourned at 12 noon for lunch and she was intimated to attend the same at 2 P. M. but she did not attend in spite of the fact that a messenger was sent to her at 2-15 P.M. Accordingly it was ordered by the Agent, Rewa Coalfields Ltd., that a fresh enquiry be held by Shri S. D. Singh, Labour Officer on 23rd December, 1967, which she was requested to attend. She was accordingly informed by the management under letter dated 20th December, 1967. She was also informed that her request to bring an observer from Burhar Colliery Mazdoor Sabha, who should be a worker of the colliery, was allowed. It was informed to her that non-worker shall not be allowed.

It may also be stated that Smt. Dasmāt Bai had requested for production of the Agent, Rewa Coalfields Ltd., and the Assistant C.M.O. as witnesses during the enquiry. This was rejected by the management as according to the management

they were not required in the enquiry. Smt. Dasmāt Bai made a representation to the Agent, Rewa Coalfields Ltd., under letter dated 22nd December, 1967, making certain allegations against Shri S. D. Singh, Labour Officer and also against the management for not allowing her to be represented by a member of the Burhar Colliery Mazdoor Sabha even though he may not be a worker and for not ordering appearance of Shri J. C. Malhotra, Agent and Assistant C.M.O. Shri Mehta, of M/s. Rewa Coalfields Ltd., as witnesses, as according to her they were connected with the chargesheet. She accordingly refused to attend the enquiry. The enquiry was conducted *ex-parte* as per notice given to her on 20th December, 1967. The Enquiry Officer submitted his report on 25th December, 1967, finding her guilty of the charge, on the basis of which she was dismissed by the management under letter dated 27th December, 1967, addressed to her, with immediate effect.

Now I propose to examine the issues 1 and 3 as under:—

Issue No. 1:—

(a) The contention of the union was that enquiry was unfair as the right of self defence was denied. The Agent and Assistant C.M.O. were relevant witnesses in this case. They were not ordered to appear before the domestic enquiry by the management inspite of the request from the workman. The management simply informed that, "they are not at all required in the enquiry". It has not been said that they were irrelevant. It was for Smt. Dasmāt Bai to decide whether they were required in the enquiry or not. She felt that they were connected with the chargesheet. The enquiry officer also told 'not necessary'. It was not told that they were not relevant. The Agent was duty bound to order their production. In this respect the union invited my attention to the decision of the Calcutta High Court in the case of Golam Rasul Vs. Public Service Commission, West Bengal and others (1963-II, LLJ-174) wherein their Lordships have said that if a witness cited by a person facing a disciplinary enquiry is under the control of the disciplinary authority and if the evidence of the witness is material for the purpose of the enquiry then that authority should arrange for the production of that witness at the enquiry. I have gone through the decision cited by the union. In that case one Mr. J. C. Ghose was cited as a witness by the workman. Mr. Ghose also showed his willingness to appear as a witness if his evidence was considered material to the case by the enquiry officer. The enquiry officer did not give his decision whether the evidence of Mr. Ghose would serve any purpose of the workman. It was also observed from the evidence produced before the enquiry officer that Mr. J. C. Ghose was connected with the misconduct. Under these circumstances, the High Court observed as under:—

"The law is quite clear that if a witness, cited by a person facing a disciplinary enquiry, is under the control of the disciplinary authority and if the evidence of the witness is material for the purposes of the enquiry, then the authority should arrange for the production of that witness at the enquiry. In this case Mr. Ghose had been cited as a witness by the petitioner. Mr. Ghose was not unwilling to depose, if the enquiring officer found his examination necessary. Curiously enough, the enquiring officer did not come to any conclusion that the examination of Mr. Ghose should not be necessary because he was not a material witness. He, however, escaped examining Mr. Ghose on the untrue pretext that he had not been cited as a witness at all. The petitioner's grievance that at the enquiry he was not afforded proper opportunity to defend himself, in the sense that a witness cited by him was not examined, must succeed."

In the instant case the Agent as well as the enquiry officer have decided that the evidence of the agent and Asstt. Chief Medical Officer cited as witnesses by Smt. Dasmāt Bai "was not necessary". It is also not proved from the evidence produced before the enquiry officer that they were in any way connected with the misconduct for which Smt. Dasmāt Bai was charged. Smt. Dasmāt Bai has not even tried to convince either the enquiry officer or the Agent to the effect that the evidence of these persons was at all relevant or connected with the enquiry. At least prior to or even after the application of Smt. Dasmāt Bai was rejected on the ground that the witnesses cited by her were considered 'not necessary' by the Agent and the enquiry officer, she did not put up any material before any of the two authorities to prove, in any way, that they were relevant to the enquiry. Under these circumstances I do not think that the action of the management has been unjust or improper. No management is bound to produce any person even under their control only because the workman charged wants him to be produced unless it is shown by the delinquent workmen that he was a material witness.

The burden to prove that the witness cited by the workman is material to the enquiry lies upon him. In case he fails to prove so, the management would also be justified in rejecting the request and this cannot be said to be a denial of natural justice.

(b) As per the chargesheet issued to the workman, she was not asked to submit her explanation to the charges levelled against her but was only asked to state as to why disciplinary action be not taken against her. The union's contention was that the management had prejudged and, therefore, the action of the management was vitiated. My attention was invited by the union to the decision of the Madras High Court in the case of Manickam (S.) Vs. Superintendent of Police, Nilgiris and others (1963-II. LLJ-63) in support of its contention.

The management invited my attention to the latest decision of the M.P. High Court in the case of Ram Sakal Yadav Vs. Chief Security Officer, Railway Protection Force, Bombay (1969-I. LLJ. 343). The Hon'ble High Court has in this case held that it was wholly unnecessary to mention the proposed punishment in the chargesheet. But the mention of the proposed punishment in the charge-sheet did not vitiate the departmental enquiry and cannot, in any way, be taken as indicative of a bias against the petitioner. I agree with the decision of the Hon'ble High Court and decide it accordingly.

(c) No copy of the report made by Shri Ram Laxhan Shukla was given to Smt. Dasmal Bal and, therefore, according to the union the workman was not given sufficient opportunity to defend her case. In this connection the management had invited my attention to the following decisions:—

- (1) New Victoria Mills Co., Ltd., Kanpur Vs. Jaggannath [1964-I. LLJ-110 (111)].
- (2) Malayalam Plantations Ltd., Quilon Vs. Industrial Tribunal, Calicut and another [1968-ILLJ-49(50)].
- (3) Tata Engineering and Locomotive Co., Ltd., Vs. S. C. Prasad [1969(5) and (6) F.L.R. (150) (page 162)].

I am of the view that it is not necessary for the management to give a copy of the report to the delinquent workman if the details of the report are given in the chargesheet itself. I find that the details about report received by the management are given in detail in the chargesheet and, therefore, by not giving a copy of the report to the workman concerned, the management has not, in any way, acted against the principles of natural justice. I, therefore, decide accordingly.

Issue No. 3:—

The union invited my attention to last sentence of para 1 of chargesheet, which reads as under:—

"This shows your fraudulent behaviour and dishonesty in connection with company's business."

Again my attention was invited to last sentence of para 2 of the chargesheet, which reads as under:—

"This shows that you are unable to avoid absenteeism either on this or that pretext in spite of final warning."

Again my attention was invited to the following sentence used in the chargesheet:—

".....as to why severe disciplinary action should not be taken against you."

Thus according to the union this was a predetermined enquiry.

I have already stated above that on the basis of the decision of the M.P. High Court it cannot be said that the mention of the proposed punishment in the chargesheet be taken to be indicative of a bias against the petitioner. I, therefore, hold that the enquiry was not pre-determined.

It has further been contended by the union that the findings of the enquiry officer have been perverse as they are not supported by any legal evidence at all. In support, the union cited the decision of the Supreme Court in the case of Central Bank of India Ltd., Vs. Prakash Chand Jain (1969. Lab. I.C. 1380). According to the union it has not been proved by the statement of Dr. Miss Jacob, L.M.O., Central Colliery Hospital, that she was the incharge of the Creche where

Smt. Dasmata Bai was employed as Creche Ayah and that she was competent to give her permission to leave and further Mr. K. S. Iyer, who was representing the management before the enquiry, has also appeared as a witness before the enquiry officer. According to the union her statement should not have been a basis to the enquiry officer for coming to a decision.

The management's contention was that the chargesheet suffers from no defect, the findings are not perverse and are based upon the evidence produced before the enquiry officer. I have gone through the proceedings of the enquiry. Shri K. S. Iyer, who had represented the management before the enquiry officer, had, simply narrated the details of the chargesheet before the enquiry officer. As a matter of fact, he cannot be said to be a witness at all. Even during the cross-examination he simply stated that charges shall be proved by witnesses who are to be produced on behalf of the management. Dr. Miss Jacob had simply stated that Smt. Dasmata Bai remained sick from 16th October, 1967, to 26th October, 1967. She remained in the hospital from 17th October, 1967, to 19th October, 1967, and was discharged from the hospital on 19th October, 1967. Somebody came on her behalf on 20th October, 1967, and took the medicines stating that Smt. Dasmata Bai was weak and could not come to the hospital. Smt. Dasmata Bai came to her on 26th October, 1967, and she was declared fit on 27th October, 1967. She did not know where Smt. Dasmata Bai went and no permission was taken from her. Shri S. Chakraborty, another management witness, supported the statement of Dr. Miss Jacob and further stated that he had made entry in the register regarding the dispensing of medicines to the patients including Smt. Dasmata Bai. Shri Ram Lakhan Shukla, another management's witness, stated that Smt. Dasmata Bai went to Bilaspur on 19th October, 1967, and came back on 24th October, 1967. The fourth management witness Shri Lal confirmed of her having gone out. Management's fifth witness Sri Ram Prakash also supported the charge of her having gone out and Smt. Dasmata Bai's conversation with Shri Lal for taking medicines from hospital. Sri Jiwan, management's witness No. 6, stated before the enquiry officer that he had seen Smt. Dasmata Bai at Pamgarh Bus Stand on 22nd October, 1967, when he was coming back from Bilaspur at the end of his leave. Shri Narvada Prasad, Attendance Clerk, Central Unit, deposed from the monthly wage-sheet that Smt. Dasmata Bai had been on absence without leave on different dates mentioned in the chargesheet and that she was on sick report from 16th October, 1967, to 26th October, 1967, for which she had drawn sick wages for seven days.

I find that the enquiry officer's report does not suffer from any perversity as the same is based on evidence on record. I, therefore, conclude that the action of the management in dismissing Smt. Dasmata Bai, Creche Ayah with effect from 27th December, 1967, is justified and, therefore, she is not entitled to any relief.

I award accordingly.

JABALPUR,

Dated the 12th December, 1969.

(Sd.) V. P. PRATAP,

Assistant Labour Commissioner (Central),
Jabalpur and
Arbitrator.

[No. 8/36/69-I.R.II]

S.O. 39.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (10 of 1947), the Central Government hereby publishes the following award of the Central Government Industrial Tribunal, Hyderabad, in the industrial dispute between the employers in relation to the Singareni Collieries Company Limited, Post Office Kothagudem, Collieries (Andhra Pradesh), and their workmen, which was received by the Central Government on the 15th December, 1969.

BEFORE THE CENTRAL INDUSTRIAL TRIBUNAL (CENTRAL) AT HYDERABAD.

PRESENT:

Sri Mohammad Najmuddin, M.A. B.L., Chairman, Industrial Tribunal, Andhra Pradesh, Hyderabad.

INDUSTRIAL DISPUTE No. 49 OF 1964.

BETWEEN

Workmen of Singareni Collieries Company Ltd., Ramagundam Division.

AND

Employers of Singareni Collieries Company Ltd., Ramagundam Division.

APPEARANCES:

Workmen remained absent.

Sri M. Shyam Mohan, Personnel Officer,—for the Employers.

AWARD

The Government of India in its Ministry of Labour and Employment had, by Order No. 7/19/64LR-II dated 30th October, 1964, referred this dispute to my learned predecessor, Dr. Mir Siadat Ali Khan, for adjudication. The issue as per schedule annexed to the notification is this:—

(1) Whether the claim of the following forty-seven female mazdoors employed on Clay Pill making at Godavari Khan, Ramagundam Division of Singareni Collieries Company Ltd., to be absorbed by the company and paid the wages and granted other benefits in accordance with the award of the All India Industrial Tribunal (Colliery Disputes) as modified by the decision of the Labour Appellate Tribunal of India dated the 29th January, 1957, is justified?

1. Igati Ramamma.
2. Mesi Chinnamma.
3. Sulumalla Enkamma.
4. Kanaka Posamma.
5. Igati Mallamma.
6. Panja Rajamma.
7. Kamera Pedda Posam.
8. Thungapindi Mallamma.
9. Mallepalli Durgamma.
10. Inagam Lakshmi.
11. Medi Narasamma.
12. Bolepalli Radhamma.
13. Mede Posamma.
14. Thammalla Jakku.
15. Chippakurthi Lakshamma.
16. Kallepalli Komaramma.
17. Godamu Rajamma.
18. Desaboina Narsamma.
19. Inagam Venkamma.
20. Gollapalli Rajamma.
21. Kallepalli Lakshamma.
22. Akula Lakshamma.
23. Aria Balamma.
24. Santakari Banamma.
25. Masuri Bondamma.
26. Boddu Chinnamma.
27. Posula Rajamma.
28. Bathula Posamma.
29. Gunde Narasayya.
30. Malemu Banamma.
31. Thudi Bhudevi.
32. Nune Madhanamma.
33. Sirlboina Posamma.
34. Nali Nasulamma.
35. Komma Lakshamma.
36. Parasa Lakshamma.
37. Thudi Santhamma.
38. Kondella Madhanamma.
39. Nali Rajamma.
40. Kirthi Rajamma.
41. Nali Venkamma.
42. Nali Chandramma.
43. Madhupurnam Rukkamma.
44. Dhadichina Posam.
45. Dadi Pedda Posam.
46. Kandella Lakshamma.
47. Nali Posam.

(2) If so, to what relief the workmen entitled and from what date?

2. The Singareni Collieries Workers' Union, Kothagudem, is party to the reference. The statement of claims was filed by and under the signature of Mr. M. Komariah, General Secretary of the Singareni Collieries Workers' Union,

Kothagudem. The Management had filed counter gainsaying the claim put forward by the claimants in the reference. Following enquiry, my learned predecessor had passed award dated 19th April, 1965. The award was to the effect that all the 47 women workers whose names are mentioned in the reference should be absorbed in the regular employment of the Company.

3. The Management of the employer company filed writ petition from the award made by my learned predecessor. That writ petition is W.P. No. 747 of 1965 on the file of the High Court of Andhra Pradesh. By order dated 19th February, 1968, His Lordship Mr. Justice Gopal Rao Ekbote quashed the award and remitted the case to this Tribunal for fresh disposal according to law and in the light of the observations made in the order. After the records were received from the High Court, I had posted the case for enquiry. At that stage I noticed that I had no jurisdiction to entertain the dispute because at the inception the reference was made to Dr. Mir Siadat Ali Khan. He had since retired on 19th November, 1965, when I succeeded him as Presiding Officer of the Industrial Tribunal, Andhra Pradesh. The reference by the Government of India was not to the Industrial Tribunal of Andhra Pradesh but to its Presiding Officer by name. Therefore I had written to the Government of India in its Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) pointing out that Dr. Mir Siadat Ali Khan had since retired and suggesting that the Government of India may, if so desired make the reference afresh to me. By order No. 8/46/69-LRII dated 22nd July, 1969, the Government of India referred the case to me for adjudication. That order was received here on 29th September, 1969. Thereafter the case was posted for enquiry by me. When the case came up for enquiry on 21st November, 1969, Mr. Shyam Mohan, Personnel Officer from Bellampally, was present. He showed to me a draft of settlement that was being finalised. I posted the case to this day for filing settlement.

4. A Memorandum of Compromise dated 3rd December, 1969, signed by both parties is filed today. It is signed by Mr. Kumariah, General Secretary of the Singareni Collieries Workers' Union. On behalf of the employer it is signed by Mr. N. Bhaskarachary, Chief Personnel Officer of the Company and by Mr. Shyam Mohan, Personnel Officer, Bellampally. It is attested by two witnesses. They are Mr. M. V. Ramakrishna Rao and Mr. B. Gopala Sastry who are Assistant Personnel Officers at Kothagudem. I have perused the memo of compromise. By clause 1 forty two of the forty seven claimants have been absorbed as Category-I mazdoors with effect from 1st October, 1969. Of the remaining five claimants, it is agreed by clause 3 that three would not be taken into employment because of either physical unfitness or being over-aged. The case of the remaining two is left open for consideration with a view to employ them subject to they being found medically fit. I am satisfied that the compromise is fair and equitable between the parties.

5. Award is herewith passed in terms of the Memo of Compromise dated 3rd December, 1969, copy whereof is appended hereto.

Award passed accordingly.

Given under my hand and the seal of the Tribunal, this the 6th day of December, 1969.

(Sd.) NAJUMUDDIN,
Industrial Tribunal,

BEFORE THE INDUSTRIAL TRIBUNAL (CENTRAL), HYDERABAD

IN THE MATTER OF I.D No. 49 OF 1964

BETWEEN

The Workmen represented by the Singareni Collieries Workers' Union,
Godavari Khani—Workmen

AND

The Singareni Collieries Company Limited—Employers.

Memo. of Compromise Filed by the Parties

The Government of India referred the case between the workmen and the Singareni Collieries Company Limited to the Industrial Tribunal (Central), Hyderabad in respect of 47 Mazdoors employed on Clay-pill Making at Godavari Khani to be absorbed by the Company on 6th November, 1964. The Industrial Tribunal gave the Award on 19th April, 1965 in Industrial Dispute No. 49 of 1964.

2. Aggrieved by the said Award, the Management filed a Writ Petition (W.P. No. 747 of 1965) in the High Court of Andhra Pradesh. The learned Judge of the High Court while allowing the Petition and quashing the Award, observed that it was open to the Tribunal to examine the question afresh and decide in the light of observations made in the said order of the High Court dated 19th February, 1968.

3. The Government of India again referred this dispute by their Notification No. 8/46/69-LR.II dated 23rd July, 1969 to the Industrial Tribunal (Central), Hyderabad for the disposal of the case according to law and also in the light of the observations made in the order in the Writ Petition No. 747 of 1965.

In order to have a mutual settlement, the parties discussed this matter before the Chief Labour Commissioner (C). After protracted discussions, the parties arrived at a settlement before the Chief Labour Commissioner (C) at Hyderabad on 17th September, 1969 under Section 12(3) of the Industrial Disputes Act agreeing in principle to take into employment of the Company the concerned mazdoors. The concerned workers were medically examined in accordance with the Rules of the Company. After the medical examination the matter was further discussed with the Union on 3rd December, 1969 and the terms of compromise agreed upon are set forth hereunder:--

Terms of Settlement

(1) The management have agreed to employ the following 42 Mazdoors concerned in the dispute on an initial wage of Rs. 5 basic per day at Category I with effect from 1st October, 1969.

| No. | Name | S. No. in the Schedule |
|-----|----------------------------|------------------------------|
| 1. | Smt. Meda Chinnamma | 2 |
| 2. | " Sudamalla Enkamma | 3 |
| 3. | " Kanaka Poshamma | 4 |
| 4. | " Jagati Mallamma | 5 |
| 5. | " Panja Rajamma | 6 |
| 6. | " Kamera Pedda Posam | 7 |
| 7. | " Thungapindi Mallamma | 8 |
| 8. | " Mallepalli Durgamma | 9 |
| 9. | " Inagam Lakshmi | 10 |
| 10. | " Medi Narsamma | 11 |
| 11. | " Bolepalli Radhamma | 12 |
| 12. | " Mede Posamma | 13 |
| 13. | " Thammala Jakku | 14 |
| 14. | " Chippakurthi Lakshmmamma | 15 |
| 15. | " Kallepalli Komaramma | 16 |
| 16. | " Godamu Rajamma | 17 |
| 17. | " Desaboina Narsamma | 18 |
| 18. | " Kallepalli Lakshmmamma | 21 |
| 19. | " Akula Lakshmmamma | 22 |
| 20. | " Arla Balamma | 23 |
| 21. | " Santakari Banamma | 24 |
| 22. | " Masuri Bondamma | 25 |
| 23. | " Boddu Chinnamma | 26 |
| 24. | " Posula Rajamma | 27 |
| 25. | Sri Gunde Narsayya | 29 |
| 26. | Smt. Malemu Banamma | 30 |
| 27. | " Thudi Bhudevi | 31 |
| 28. | " Nune Madhanamma | 32 |
| 29. | " Sirihoina Posamma | 33 |
| 30. | " Neeli Navulamma | 34 |
| 31. | " Komma Lakshmmamma | 35 |
| 32. | " Parasa Lakshmmamma | 36 |
| 33. | " Thudi Shantamma | 37 |
| 34. | " Kondella Madhanamma | 38 |
| 35. | " Neeli Rajamma | 39 |
| 36. | " Kirithi Rajamma | 40 |

| No. | Name | S No. in the Schedule |
|-----|------------------------|-----------------------|
| 37. | Smt. Neeli Enkamma | 41 |
| 38. | „ Neeli Chandramma | 42 |
| 39. | „ Modupuram Rukkamma | 43 |
| 40. | „ Dadi Chinna Posam | 44 |
| 41. | „ Kandella Lakshmmamma | 46 |
| 42. | „ Neeli Posamma | 47 |

The names of workers listed under Serial Nos. 2, 3, 4, 30, 35, 37, 38, 39, 40 and 42 have been wrongly printed in the Schedule of Reference as Mesi Chinnamma, Sulumalla Enkamma, Igati Mallamma, Nali Nasulamma, Nali Rajamma, Nali Venkamma, Nali Chandramma, Madhupuram Rukkamma, Dadiehina Posam and Nari Posam.

(2) It has been agreed that Sl. No. 6 Smt. Kamera Pedda Posam, Sl. No. 24 Smt. Posula Rajamma and Sl. No. 25 Sri Gunde Narsayya would be re-examined as regards their physical fitness during the month of June, 1970 to assess their suitability for further employment.

(3) The following three claimants who were found physically unfit/or overaged shall not have any claim for employment or otherwise.

| No. | Name | Sl. No. in the Schedule |
|-----|----------------------|-------------------------|
| 1. | Smt. Igati Ramamma | 1 |
| 2. | „ Gollapalli Rajamma | 20 |
| 3. | „ Dadi Peda Posham | 45 |

(4) The following two Female Mazdoors who are not available at Godavari Khani at the time of medical examination of the rest of the workers will be medically examined before the end of December, 1969 and the Management agree to employ them on an initial wage of Rs. 5 basic per day at Category I with effect from the date of medical examination, if they are declared to be physically fit and if they are less than 60 years of age.

| No. | Name | Sl. No. in the Schedule |
|-----|----------------------|-------------------------|
| 1. | Smt. Inagam Venkamma | 19 |
| 2. | „ Bathula Poshamma | 28 |

(5) The workmen's representative agreed to forego all other claims in respect of the workers concerned in the dispute.

(6) The Singareni Collieries Company Limited will be at liberty to transfer the Mazdoors now employed to any other Division or establishment whenever they find it necessary.

(7) The Union representing the workmen hereby assure the continuance of the rate of production of clay-pills which the Mazdoors have been producing while they were under the Singareni Collieries Clay-pills Co-operative Society Limited, Godavari Khani, including loading.

(8) The parties, therefore, pray that the Hon'ble Tribunal be pleased to pass an Award in terms of this compromise.

The Parties, as in duty bound, shall every pray.

Dated at Kothagudium this 3rd day of December 1969.

For Workmen

(Sd.) M. KOMARAI AH,
General Secretary,
Singareni Collieries Workers'
Union,
Kothagudium Collieries.

For Employers

(Sd.) N. BHASKARACHARY
Chief Personnel Officer,
Singareni Collieries Co. Ltd.,
Kothagudium Collieries.

(Sd.) M. SHYAM MOHAN,
Personnel Officer,
Singareni Collieries Co. Ltd.,
Belampalli.

Witnesses :

1. (Sd.) M. V. RAMAKRISHNA RAO,
Asstt. Personnel Officer,
Singareni Collieries Co. Ltd.,
Kothagudium Collieries.
2. (Sd.) V. GOPALA SASTRY,
Asstt. Personnel Officer,
Singareni Collieries Co. Ltd.,
Kothagudium Collieries.

(Sd.) M. NAJMUDDIN
Industrial Tribunal.
[No. 8/46/69-LRII.]

New Delhi, the 23rd December 1969

S.O. 40.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Central Government Industrial Tribunal, Jabalpur, in the industrial dispute between the employers in relation to the management of M/s. Rajaramka Brothers (Private) Limited, Tumsar (Maharashtra State) and their workmen, which was received by the Central Government on the 8th December, 1969.

**CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL-CUM-LABOUR COURT,
JABALPUR.**

Dated December 1, 1969.

PRESENT:

Shri G. C. Agarwala, Presiding Officer.

CASE REF. No. CGIT/LC(R)(30) of 1969

PARTIES:

Employers in relation to the Pounia Manganese Mines of Messrs. Rajaramka Brothers (Private) Limited, Post Office Tumsar, Maharashtra State.

Versus

Their workmen represented through Samyukta Khadan Mazdoor Sangh, P.O. Tirodi, District Balaghat (M.P.).

APPEARANCES:

For Employers.—None.

For Union.—Sri K. Nutneshwar, Secretary of the Union.

INDUSTRY: Manganese Mine.

DISTRICT: Tumsar (Maharashtra).

AWARD

By notification No. 36/10/68-LRI, dated 26th June, 1969, the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment), Government of India, referred the following matter of dispute as stated in the schedule to the order of reference to this Tribunal, for adjudication:—

Matter of Dispute

1. Whether the action of the management of Pounia Manganese Mines of Messrs. Rajaramka Brothers (Private) Limited, Post Office Tumsar (Maharashtra State), terminating the services of Shri Rajaram Thakare, Foreman is justified?
2. If not, to what relief is the workman entitled?

2. After receipt of the reference order statements of claim were awaited under Rule 10B of the Industrial Dispute (Central) Rules. When no such statements of claim were received usual notices were issued. The Union filed the written statement on 6th October, 1968, but the employers wanted time to file the statement. This was allowed upto 28th October, 1969 subject to payment of Rs. 50/- as costs. Due information of the adjourned date was sent to employers. On this date neither any communication was received from the employers nor was an appearance made. The case was therefore ordered to proceed *ex parte* and 7th November was fixed for hearing. As a matter of grace information of this was sent to employers with a warning that in case of default the case would be proceeded with under Rule 22 of Industrial Disputes (Central) Rules. Even so, the employers did not appear on 7th November, 1969, and as the Union had taken an adjournment, case was adjourned to this date and again notice was sent to employers. Despite all this, the employers remained absent and there was no option but to proceed under Rule 22 Industrial Disputes (Central) Rules.

3. It appears from the evidence of Sri K. Nutneshwar, Secretary of the Union that the workman concerned, Sri Rajaram Thakare was a Foreman employed with M/s. Rajaramka Brothers (Private) Ltd., the employers. He had put in five years service and was drawing Rs. 90/- per month as pay. All of a sudden without assigning any reason, the employers by a notice dated 7th November, 1967 (Ex. W/1) intimated that considering prevailing position in the mine it was considered necessary to terminate his services and one month's notice was therefore being given. Evidently, this step was taken by way of retrenchment. No formalities of retrenchment were, however, observed and no notices under Sec. 25F Industrial Disputes Act were given nor compensation offered. The termination of service is obviously wrongful. The workman, therefore, is entitled to reinstatement with back wages.

Decision:

It is, therefore, ordered that the workman concerned, Sri Rajaram Thakare, shall be reinstated and will be entitled to back wages from the date of termination of his service together with attendant benefits. The Union shall be entitled to Rs. 50/- as costs from the employers.

(Sd.) G. C. AGARWALA,
Presiding Officer.
[No. 35(10)/68-LR.IV.]

New Delhi, the 24th December 1969

S.O. 41.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of Shri H. D. Goll, Arbitrator, in the industrial dispute between the management of Messrs. Kalyanarama Mica Mine, Kalichedu, Rapur Taluk, Nellore District and its workmen represented by Bharateeya Mica Mazdoor Sangh, Gudur, which was received by the Central Government on the 18th December, 1969.

(AWARD)

BEFORE THE ARBITRATOR AND REGIONAL LABOUR COMMISSIONER.
(CENTRAL), HYDERABAD

PRESENT:

Shri H. D. Goll, Regional Labour Commissioner (Central) Hyderabad,
Arbitrator

PARTIES:

Employers in relation to Kalyanarama Mica Mines, Kalichedu, Rapur Taluq, Nellore District, represented by Shri C. S. Sastry, Agent, Sree Kalyana Rama Co., Kalichedu.

AND

Their workmen represented by Shri K. Venkatasubbaiah, General Secretary, Bharatiya Mica Mazdoor Sangh, Gudur, Nellore District.

AWARD

No. B1/102(5)/69.

Dated: 15th December, 1969.

The parties mentioned above by an agreement dated 5th May, 1959, referred to me the following dispute for my Arbitration under Section 10A of the Industrial Dispute Act, 1947.

"Whether increments shall be granted to the Engineering Mazdoors employed by M/s. Kalyanarama Mica Mine, Kalichedu with effect from 1st January, 1969 in par with drillers and muck mazdoors employed in the said mine".

The above agreement was published by the Government of India in their Notification No. 20/9/69-LRI, dated 30th May, 1969. It was also stated in the above agreement that the Arbitrator shall make his award within a period of 3 months or within such further time as is extended by mutual agreement between them in writing. However, both the parties in their agreement dated 30th June, 1969 desired extension of the time limit upto 31st December, 1969.

2. The parties had submitted their written statements regarding the dispute. Thereafter, I heard the parties on 28th November, 1969 in the office of the Labour Enforcement Officer (Central), Gudur. On this day both the parties filed a compromise memo with a request to pass an award in terms thereof. The compromise was duly verified and I consider that the compromise is fair and reasonable. The compromise memo is, therefore, accepted and the award is made in terms of the compromise filed before me. The compromise memo is annexed herewith.

Dated: Hyderabad, the 15th December, 1969.

(Sd.) H. D. GOIL,
Arbitrator.
R.L.C. (C), Hyderabad.

BEFORE THE HON'BLE ARBITRATOR SHRI H. D. GOIL, REGIONAL
LABOUR COMMISSIONER (CENTRAL), HYDERABAD

PARTIES:

Employers in relation to Kalyanarama Mica Mine, Kalichedu, Rapur Taluq. Nellore District, represented, by Shri C. S. Sastry, Agent, Sree Kalyanarama Co., Kalichedu.

AND

Their Workmen represented by Shri K. Venkatasubbaiah General Secretary, Bharatiya Mica Mazdoor Sangh, Gudur.

Joint Petition of Compromise

The parties above named, respectfully beg to submit as under:—

1. That matter regarding grant of increments to the Engineering Mazdoors employed by M/s. Kalyanarama Mica Mine, Kalichedu with effect from 1st January, 1969 in par with drillers and muck mazdoors employed in the said mine is pending before this Arbitrator for disposal.

2. That the parties in the meantime have mutually discussed the issue and arrived at a settlement in terms hereunder, while recognising the fact that there was no parity between the Engineering workers and the drillers and muckers working underground—

(a) that the employer hereby agrees to give increase in the existing rates of wages to the following categories of the Engineering Workers with effect from 1st April, 1969—

- (i) Driver—increase of Rs. 0.15 P. per day.
- (ii) Fitter—increase of Rs. 0.15 P. per day.
- (iii) Cleaner—increase of Rs. 0.10 P. per day.

(b) that the employer shall pay the arrears from 1st April, 1969 to 1st August, 1969 to the above categories of workers on or before 10th December, 1969.

(c) that the parties will bear their respective cost.

3. In the circumstances the parties herein concerned respectfully beg to pray that the Hon'ble Arbitrator may graciously be pleased to accept the compromise and pass an award in terms thereof.

Dated: Gudur the 23rd November, 1969.

(For the workmen).

Sd./- K. VENKATASUBBAIAH.

(For the employer).

Sd./- C. S. SASTRY.

28-11.

[No. 20/9/69-LR-IV.]

S.O. 42.—Whereas an industrial dispute exists between the employers in relation to the management of Jaykaynagar Colliery of Messrs Aluminium Corporation of India Limited, Post Office Jaykaynagar, District Burdwan, and their workmen, represented by Jaykaynagar Colliery Mazdoor Union (Independent), Post Office Jaykaynagar, District Burdwan;

And whereas, the said employers and workmen have by a written agreement in pursuance of the provisions of sub-section (1) of section 10A of the Industrial Disputes Act, 1947 (14 of 1947), agreed to refer the said dispute to arbitration of the person specified therein, and a copy of the said agreement has been forwarded to the Central Government;

Now, therefore, in pursuance of the provisions of sub-section (3) of section 10A of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the said arbitration agreement which was received by it on the 10th December, 1969.

FORM 'C'

(See Rule 7)

Agreement

Under Section 10A of the Industrial Disputes Act 1947.

BETWEEN

Name of the parties

Representing employer:

1. Shri H.S. Navlakha, Agent, Jaykaynagar Colliery, M/s. Aluminium Corporation of India Ltd., Jaykaynagar P.O., Distt. Burdwan

Shri P.N. Agrawal,
Manager, Jaykaynagar Colliery,
M/s. Aluminium Corporation of India Ltd.,
Jaykaynagar-P.O., Distt. Burdwan.

Representing workmen:

1. Shri R. Banerjee, Secretary, Jaykaynagar Colliery Mazdoor Union, P.O. Jaykaynagar, Distt. Burdwan.

It is agreed between the parties to refer the following industrial dispute to the arbitration of Shri Renupada Mukherjee, Judge, High Court, Calcutta (Retired), 15, Jatin Das Road, Calcutta 29:

(i) *Specific matters in dispute:*

"1. Whether the action of the management of Jaykaynagar Colliery of M/s. Aluminium Corporation of India Limited, P.O. Jaykaynagar Distt. Burdwan in closing down the Jaykaynagar Colliery with effect from 18-7-1969 under its Notice bearing No. Nil dated 17-7-1969 amounted to lock-out as contended by the workmen or closure as contended by the management.

2. Whether the workmen concerned are entitled to any payment for the period, 18-7-1969 to 23-10-1969 and if so what?"

(ii) *Details of parties to the dispute including the name and address of the establishment or undertaking involved.*

Employers in relation to Jaykaynagar Colliery of M/s. Aluminium Corporation of India Limited, P.O. Jaykaynagar, Distt. Burdwan.

(iii) *Name of the Union, if any representing the workmen in question.*

Jaykaynagar Colliery Mazdoor Union (Independent), P.O. Jaykaynagar, Distt. Burdwan.

(vi) *Total No. of workmen employed in the undertaking affected.*

641

(v) *Estimated number of workmen affected or or likely to be affected by the dispute.*

592

Where further agree that the decision of the Arbitrator shall be binding on us.

The Arbitrator shall make his award within a period of ninety days or within such further time as is entered by mutual agreement between us in writing. In case the award is not made within the period aforementioned, the reference to Arbitrator shall stand automatically cancelled and we shall be free to negotiate for fresh arbitration.

Witnesses:

1. (Sd.) Illegible.

2. (Sd.) Illegible.

Dated, the 4th December, 1969.

Signature of the parties:

(Sd.) H.S. NAVLAKHA,
Agent, Jaykaynagar Colliery.

(Sd.) P.N. AGRAWAL,
Manager, Jaykaynagar Colliery.
Representing the Employers

(Sd.) R. BANERJEE,
Secretary, Jaykaynagar Colliery Mazdoor
Union.
Representing the Workmen.

[No. 8/112/69-LRII.]

New Delhi, the 26th December 1969

S.O. 43.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of Shri O. Venkatachalam, Arbitrator, in the industrial dispute between the employers in relation to the Bhurkunda Colliery of National Coal Development Corporation Limited, Post Office Bhurkunda, District Hazaribagh (Bihar) and their workmen, which was received by the Central Government on the 19th December, 1969.

(AWARD)

In the matter of arbitration under Section 10A of the I.D. Act in the dispute between the management of Bhurkunda Colliery of M/s. N.C.D.C. Ltd. and their workmen.

PRESENT:

Shri O. Venkatachalam, Chief Labour Commissioner (Central) & Arbitrator.

Representing the management—

- (1) Shri R. S. Murty,
Sr. Personnel Officer.
- (2) T. P. Basu,
Manager, Mine No. 4,
Bhurkunda Colliery.
- (3) Shri A. N. Goswami,
Group Personnel Officer,
(Karampura).

}
N.C.D.C.

Representing the workmen—

- (1) Shri Shajique Khan,
General Secretary.
- (2) Shri Ramnendra Kumar,
Secretary.

}
Coal Worker's Union

AWARD

No. Con.III/452(3)69.

New Delhi, dated the Dec., 69.

This is an industrial dispute between the management of Bhurkunda Colliery of M/s. N.C.D.C. Ltd., Ranchi and their workmen represented by the Coal Worker's Union, Bhurkunda Branch over three issues, and the dispute has been referred to me by both the parties for arbitration under Section 10A of the I.D. Act *vide* the joint agreement dated 8th July 1969 between the Deputy Superintendent of Collieries/Agent of Bhurkunda, NCDC and the Secretary of the Coal Worker's Union, Bhurkunda Branch. This dispute led to a strike for 4 days by the miners of the Colliery (machine cut coal loaders) from the first shift of

25th December, 1967 under the direction of the Coal Workers' Union. As the issues which gave rise to the strike could not be settled by mutual discussions, the parties agreed to refer them for the arbitration of late Shri Salim M. Merchant, ex-Chairman of the Coal Wage Board, *vide* their agreement dated 28th December, 1967. While communicating his acceptance to work as Arbitrator, Shri Merchant sent his terms of fees, etc. payable to him. As the Coal Worker's Union expressed its inability to share the cost of arbitration, the matter was further discussed between the parties and they agreed to refer the relevant issues for my arbitration.

2. The following are the issues referred for my arbitration:—

- (1) Whether tub-pushing allowance paid to the Miners should be included as an earning for the purpose of working out the fall-back wage payable as a result of weekly review.
- (2) How should the days of 'lay off' and the compensation paid for those days be accounted in the weekly review for the purpose of fall-back wages in terms of Coal Wage Board recommendations.
- (3) If a Minor stays at the working place throughout the shift and is not provided any work how will the day be regarded and his wages for the day regulated taking into account the provisions of lay off under the I.D. Act and the 'fall back wages' under the Wage Board Recommendations accepted by the Government.

The parties desired that I should make my award within a period of four months or within such further time as is extended by mutual agreement between them in writing. They also agreed that my decision as an Arbitrator shall be binding on them. The arbitration agreement was published by the Government of India with their Order No. 2/1/68-LRII dated 20th August 1969. The parties therefore agreed subsequently that the time limit of 4 months for giving my award would count from 20th August, 1969.

3. After obtaining from the parties their respective statements of the case as well as their rejoinders on each other's statement of the case, I took up the case for hearing at Ranchi on 7th November, 1969. At this hearing, the three issues involved in the reference were considered at some length with special reference to the written statements and rejoinders submitted by the parties to the Arbitrator. The Union's representatives however pleaded for adjournment of the case on the ground that the General Secretary of the Union, Shri Shaffique Khan could not be present on that day due to personal reasons and the representatives present at the hearing were not well experienced in presenting the workmen's case. The case was therefore adjourned, and it was agreed that the case will be taken up again for final hearing at Dhanbad or Calcutta to suit the convenience of the parties. The parties were accordingly heard finally in this case at Calcutta on 18th December, 1969.

4. I shall now proceed to deal with the issues under reference *seriatim*:—

Issue No. 1.—Whether tub-pushing allowance paid to the Miners should be included as an earning for the purpose of working out the fall-back wage payable as a result of weekly review.

On this question the management invited attention to paragraphs 35, 36 and 37 of Chapter XII (Vol. I) of the Report of the Central Wage Board for Coal Industry which give the necessary background to the workers' demand for payment of extra wages for pushing tubs whether empty or full and the Wage Board's recommendation for payment of a consolidated rate of .075 P per tub of 36 cft. as tub pushing allowance for every 100 ft. or part thereof in excess of the first 100 ft. The management also invited attention to paragraphs 31 to 34 of Chapter VIII of the Wage Board's Report and argued that as the Wage Board had specifically excluded only underground allowance and dearness allowance for calculating the fall-back wage *vide* paragraph 33), it is implied that tub-pushing allowance should count towards fall-back wages just like the wages earned by miners for loading coal into tubs or mine cars. In support of the contention they relied on the Wage Board's observation in paragraph 34 (at page 69) of its Report that lead and lift allowances wherever earned would be included in arriving at the basic element of the fall-back wage. In other words, according to them, all earnings of a miner other than dearness allowance and underground allowance have to be reckoned for the purpose of assessment of the fall-back wages. In their view any other interpretation of the position would mean that if a miner is engaged exclusively on tub-pushing work, he will be at

a considerable advantage over others because he will not only receive the tub-pushing allowance but also the fall back wage of Rs. 6 per day. The Management's case is that it is the age old practice in Bhurkunda Colliery right from its inception 25 or 30 years ago that the piece rated coal loaders working underground have been performing as an integral part of their normal work the pushing of empty tubs from the tippler to the coal faces prior to loading. By virtue of this arrangement the empty tub-pushing done by these loaders is to be put on par with the lead and lift. In para 190 and 194 of LAT Award, this aspect of the matter was not considered because the empty tub-pushing by loaders is not a universal phenomenon in all coal mines. The arrangement in Bhurkunda Colliery is a peculiar one. Further, the Mazumdar Award and the subsequent LAT Award were dealing with the question of allowance etc. payable on the earnings for lead and lift and tub-pushing in an entirely different context and keeping in view the fact that D.A. was then payable as a percentage of earnings of loaders for work done by them. This basis has been completely changed by the current Wage Board Award because, D.A. according to that award, is payable on a daily basis.

5. According to the Management, it is obvious from paragraphs 33, 34 and 36 of the Chapter VIII of the Wage Board Award that the Wage Board has made a clear distinction between basic wage and fall-back wage. The constituents of these two are different. Since lead and lift are on the same footing as the tub pushing allowance and the former have been taken into account for reckoning fall back wage by the Wage Board, tub pushing allowance should be treated in the same manner, particularly because lead and lift allowance as well as tub pushing allowance have been described by the Wage Board as consolidated rates of payment, vide paragraphs 32 and 37 of Chapter XII of its report. Further the illustration given by the Wage Board under paragraph 37 of Chapter VIII conclusively establishes the contention of the management that only underground allowance and D.A. which are payable on a daily basis should be excluded from fall-back wage. Considering also the purpose of fall-back wage, it will not be appropriate to exclude tub-pushing allowance from its scope, because tub pushing is a payment made for work done by loaders as much as lead and lift. In Paragraphs 764 and 765 of Mazumdar Award and para 195 of the LAT Award, it was stated that the Minimum guaranteed wages or fall back wage were payable at 75 per cent. of the total emoluments. These emoluments at that time included tub pushing allowance. The Wage Board has not stated anything to the contrary. In some of the Inclines of Bhurkunda Colliery, tub pushing allowance account for a very high percentage of the total wage packet of the loaders, and if this substantial amount is excluded from fall-back wage it would create an embarrassing situation for the management and open the floodgate for further disputes, because others differently placed will have a heart-burning and the benefit will be heavily weighted in favour of loaders in Bhurkunda Colliery. Under the circumstances, the management contended that the tub-pushing allowance should be treated as basic wages to the extent of fall back wage fixed for Group IV Miners under Wage Board Report. Otherwise, according to them, the concept of fall-back wage as adopted by the Wage Board will lose its meaning and significance because a large part of earnings of loaders (earned on this account) will be excluded from "Fall back wages".

6. On this issue the Union contended that the Wage Board has recommended the same rate of Rs. 6 as basic wage and fall back wage for the miners who have been placed in Group IV, thus making no distinction between their basic wage and fall back wage, that the fall back wage of Rs. 6 is only on the basis of miner's work for filling the tubs without taking into account their tub pushing work which the miners are being called upon by the management to do as extra work for which extra remuneration is payable to them at the consolidated rate laid down by the Wage Board. The workmen's case is that as would be evident from paragraph 604 of the Mazumdar Award, para 194 of L.A.T. and paras 35-37 of Chapter XII of the Wage Board Report, the tub pushing is not the normal function of miners although wherever they are required to do tub pushing by the Management, they do so and are paid extra consolidated rate for tub pushing. That is why neither of these bodies had given any direction that tub pushing should be treated as basic wage for attendance bonus and/or for other purpose whereas in respect of lead and lift which forms part of the nature of miners' job, it was specifically held by them that the payment for lead and lift should be treated as basic wage for various purpose. It was further argued on behalf of the workmen that the fact that in certain inclines of Bhurkunda Colliery the miners are required to do tub pushing to a larger extent than in others should not make any difference for this purpose. The management is seeking to apply two standards. They are not ready to accept tub-pushing allowance as basic

for all purposes, but they are ready to treat this payment as basic for the calculation of fall-back wage only. This is contradictory. The same thing can not become basic for one purpose but not for others. The Union therefore urged that the tub pushing allowance should not be included as earning for the purpose of calculating fall back wages.

7. I have carefully considered the contentions of the Management and the Union on this issue, but I am unable to agree with the arguments advanced by the Management. I am convinced with the reasonings of the Union. In particular, a careful perusal of paragraph 765 of the Mazumder Award reveals that the fall-back wage is to be based primarily on the number of tubs quantity of coal loaded by the miners and not on other sundry duties which the miners may be required to perform like tub pushing. Trammers are mainly intended for pushing and otherwise handling loaded and empty tubs, but where they are not available in adequate number for pushing empty tubs, the miners are required to do this job for which they are paid a consolidated allowance in terms of the various Awards from time to time. If it was the intention of the Tribunal/Wage Board that tub pushing allowance should also count towards basic wage or fall-back wage they could have said so just as they did in respect of the allowance payable for lead lift. In the circumstances, I must hold that tub pushing allowance paid to the miners should not be included as an earning for the purpose of working out fall-back wage.

Issue No. 2.—How should the days of 'lay off' and the compensation paid for those days be accounted in the weekly review for the purpose of fall-back wages in terms of Coal Wage Board recommendations.

8. On this issue, the Management invited attention to the paragraph 765 of the Mazumder Award in which the Tribunal directed that the earnings of the piece rated workers should be reviewed at the end of every 13 working days and if on account of the factors for which the piece-rated workers are not responsible, they cannot reach their outputs as fixed by the Tribunal, the Management should make up the deficiency to the extent of 75 per cent of the total emoluments that they would have earned on the normal conditions after setting off towards the same any 'lay off' compensation that may have been paid under Section 25C of the I.D. Act, 1947. While comparing this direction of the Mazumder Tribunal with the direction of the Wage Board in para 33 of Chapter VIII of its report, the Management pointed out the repeated use by the Wage Board of the expression "days worked" for arriving at the guaranteed fall-back wage payable to the miners. The Management also pointed out the absence of any reference to 'lay off' or Section 25C of the I.D. Act, 1947 in the said paragraph 33 of the Wage Board Report. They, therefore, argued that the fall-back wage should be worked out only on the basis of the actual working days without including the days on which the workmen might have been laid off during the week. The representatives of the Union suggested that in the stipulations laid down by the Mazumder Award in para 765 of its Award regarding calculation of fall-back wages, the only change made by the Wage Board was that it has increased the quantum of fall-back wages from 75 per cent of earnings to 100 per cent. in the case of group IV workers (including miners), and that consequently the other stipulation of the Mazumder Tribunal in the said para 765 of its Award would continue to govern the calculation of fall-back wages. After considering the contentions of the parties on the issue and the observations of the Wage Board in paras 33 and 34 of its report (Chapter VIII), I must agree with the Management and hold that the day of 'lay-off' and the compensation paid therefor should not count for the weekly review of fall-back wages or for arriving at the fall-back wages.

Issue No. 3.—If a Miner stays at the working place throughout the shift and is not provided any work how will the day be regarded and his wages for the day regulated taking into account the provisions of 'lay off' under the I.D. Act and the 'fall-back wages' under the Wage Board Recommendations as accepted by the Government.

9. The situation envisaged in this issue is the case of workman who has marked his attendance, has been engaged for work and kept at the working place throughout the shift but has not been able to do any work due to break-down of machinery or some other reason beyond his control. This is a situation midway between the case of lay off under the I.D. Act, 1947 which provides for payment of lay off compensation to such workman and a case of actual and normal work done by the workman to be entitled to the benefit of attendance and full wages for all purposes. In case of lay off under the I.D. Act such days usually count for attendance for purposes of earned leave, attendance bonus, etc., but the workman does not earn leave for such days nor does the lay off compensation

paid to him count towards basic earnings for calculation of attendance bonus or leave wages. However, in the cases envisaged under the present term of reference, it would be fair to pay the workman more than the lay-off compensation admissible under the I.D. Act but less than the normal wages payable to him for the work done. Because his case would not also fall strictly within the scope of the two provisos to the explanation below clause (kkk) of Section 2 of the I.D. Act, 1947, I consider that 3/4 of the group's wages payable to the miners under the Wage Board Recommendations would be fair and reasonable for such days. Moreover the basic element of such payment should count for the calculation of leave wages, attendance bonus, etc. and the days of such idle employment should count not only for entitlement to leave and attendance bonus, but also for earning the quantum of leave, but they should not count for arriving at the fall-back wages under the weekly review of miners' earnings

10 I accordingly give my award in terms aforesaid

(Sd.) O. VENKATACHALAM,
Chief Labour Commissioner (C) & Arbitrator.

[No. 2/1/68-LR.II.]

S.O. 44.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Central Government Industrial Tribunal (No. 2), Dhanbad, in the industrial dispute between the employers in relation to the Khas Joyrampur Colliery, Post Office Jeenagora, Dhanbad and their workmen, which was received by the Central Government on the 19th December, 1969.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL (No. 2) AT DHANBAD

PRESENT:

Shri Nandagiri Venkata Rao, Presiding Officer.

REFERENCE NO. 257 OF 1967

In the matter of an industrial dispute under Section 10(1)(d) of the Industrial Disputes Act, 1947.

PARTIES:

Employers in relation to the Khas Joyrampur Colliery, Post Office Jeenagora, District Dhanbad.

AND

Their workmen.

APPEARANCES.

On behalf of the employers.—Shri S. S. Mukherjee, Executive Committee Member, Indian Colliery Owners Association.

On behalf of the workmen.—Shri H. N. Singh, Vice-President, Koyla Mazdoor Panchayat.

STATE: Bihar.

INDUSTRY: Coal.

Dhanbad, 15th December, 1969: 24th AGRAHAYANA, 1891 Saka.

AWARD

The Central Government, being of opinion that an industrial dispute exists between the employers in relation to the Khas Joyrampur colliery Post Office, Jeenagora, District Dhanbad and their workmen, by its order No. 2/57/67-LR.II dated the 2nd September, 1967 referred to this Tribunal under Section 10(1)(d) of the Industrial Disputes Act, 1947 for adjudication the dispute in respect of the matters specified in the schedule annexed thereto. The schedule is extracted below:

SCHEDULE

“(i) Whether the action of the management of Khas Joyrampur colliery, Post office Khas Jeenagora in stopping Shri Raj Kishore Singh, Mining Sirdar from work with effect from the 22nd June, 1966, was justified?

(ii) If not, to what relief is he entitled?”

2. Employers as well as the workmen filed their statement of demands.

3. Shri Raj Kishore Singh (hereinafter referred to as the affected workman) was a Mining Sirdar in Khas Joyrampur colliery. Along with some other workmen of the colliery the affected workman was served with a retrenchment notice on 17th March, 1966 to be effecuve from 17th April, 1966. However, after 17th April, 1966 some essential work, like recovery and salvation continued and the affected workman continued to work till 24th April, 1966. He did not work in the colliery from 25th April, 1966 to 8th June, 1966. He worked again from 9th June, 1966 to 21st June 1966. He did not work from 22nd June, 1966. These facts are not in dispute. The case of the workman is that in spite of the notice dated 17th March, 1966 the affected workman was not retrenched that the notice was virtually withdrawn inasmuch as he continued to work from 17th April, 1966 till 21st June, 1966 and that from 22nd June, 1966 he was stopped from working illegally and without any valid reason. The employers filed their statement, pleading that the affected workman was validly retrenched with effect from 17th April, 1966, that in consultation with the union officials he was employed again and he worked upto 24th April, 1966, that he was not in their employment from 25th April, 1966 to 8th June, 1966, that he was re-employed from 9th June, 1966 in a temporary vacancy as Mining Sirdar and that he refused to continue in the temporary employment as a Mining Sirdar with effect from 22nd June, 1966 and as such the justification or otherwise of the action of the employers did not arise. The workmen were represented by Shri H. N. Singh, Vice-President, Koyla Mazdoor Panchayet and the employers by Shri S. S. Mukherjee, Executive Committee Member, Indian Colliery Owners Association. On admission by the employers Exts. W1 and W2 for the workmen and on admission by the workmen Exst. M1 to M3 for the employers were marked. On behalf of the workmen the affected workman was examined as WW1 and Ext. W3 was marked. The employers also examined a witness and marked Exts. M4 to M8.

4. Admittedly, the affected workman did not work with effect from 22nd June 1966 and in terms of the reference it is to be considered whether stoppage of work of the affected workman from 22nd June, 1966 was by the employers and was justified. The case of the employers is that the affected workman was validly retrenched with effect from 17th April, 1966, that thereafter he was appointed temporarily to do the recovery and salvation work, that he worked as a temporary Mining Sirdar from 17th April, 1966 to 24th April, 1966, that he was not in their employment from 25th April, 1966 to 8th June, 1966, that he was re-employed in a temporary vacancy as a Mining Sirdar from 9th June, 1966 and that with effect from 22nd June, 1966 he voluntarily stopped working. These allegations are denied by the workmen and it is contended that the affected workman was not retrenched with effect from 17th April, 1966, and he was stopped from working with effect from 22nd June, 1966, illegally and without any valid reason. Ext. M1 is the notice dated 17th March, 1966, stating that the affected workman would become surplus and his service would stand terminated with effect from 17th April, 1966, and that he should collect the retrenchment compensation and other dues, if any, due to him on or before 17th April, 1966. Section 25F of the Industrial Disputes Act, 1947 deals with the conditions precedent to retrenchment of workmen. The section categorically lays down that no workman who has been in continuous service for not less than one year can be retrenched by the employers unless the conditions laid down in the section are fulfilled. It is not controverted that the affected workman has been in continuous service of the employers for more than one year. Clause (b) of the Section mentions one such conditions and it is that the workman has been paid retrenchment compensation. The clause does not say that mere offer of retrenchment compensation is enough. In other words, unless retrenchment compensation is actually paid retrenchment cannot take effect. In my view I am supported by the decision of the Madras High Court in Sivanandam (S) vs. Press Superintendent, Southern Railway, Madras, and another (1969—11—L.L.J. 373). Following the judgement of the Supreme Court in State of Bombay and others vs. Hospital Mazdoor Sabha and other (1960—1—L.L.J. 251) the High Court held that when retrenchment compensation to the workmen was not paid at the time of retrenchment but was paid some time later the services of the workman were not validly retrenched in accordance with law. In that case the services of the workmen were terminated with effect from 22nd December, 1966 and retrenchment compensation was paid to him on 7th February, 1967. As in the present case in that case also one month's notice was issued under Section 25F of the Industrial Disputes Act, 1947. In the instant case it is mentioned by the workmen that inspite of the notice, Ext. M1 stating that the services of the affected workman would stand terminated with effect from 17th April, 1966, the affected workman continued to work after 17th April, 1966. In para. 6 of their written statement the employers had stated that after 17th April, 1966, the affected workman was employed as a

Mining Sirdar in consultation with the union officials. There is no evidence to show any such consultation. The solitary witness for the employers, MW. 1 has tried to prove Ext. M8, an office copy of a letter dated 17th April, 1966 said to have been issued to the affected workman to show that the affected workman was employed as a Mining Sirdar on a temporary basis with effect from 17th April, 1966. But this letter was not referred to in the written statement. Further MW. 1, himself concedes that he could not say if there was any proof that original of Ext. M8 was given to the affected workman. The case of the employers is that with effect from 22nd June, 1966, the affected workman refused to work on a temporary basis. If the original of Ext. M8 was really issued to the workman on 17th April, 1966 itself, there is no reason why the affected workman should consent to work on a temporary basis till 21st June, 1966 and refuse thereafter. According to para. 7 of the written statement of the employers the affected workman was re-employed from 9th June, 1966, also as a temporary Mining Sirdar. MW. 1 has deposed that the employers did not issue any appointment letter to the affected workman on 9th June, 1966. If no appointment letter was issued on 9th June, 1966, no reason is shown why it was issued on 17th April, 1966. Even if it is assumed that the employers had issued letters reappointing the affected workman after 17th April, 1966, they are immaterial, because no valid retrenchment had taken place terminating his services with effect from 17th April, 1966 for the reason that conditions precedent laid down under Section 25F were not complied with. That apart, it is a settled law that to fall within the definition of "retrenchment" the termination should be due to surplusage. It is an admitted position that in the instant case there was work left for a Mining Sirdar even after 17th April, 1966. MW. 1 has deposed that the salvage work continued for 3 or 4 months from April, 1966 and that the employers had engaged Mining Sirdars for the salvage work. Regarding the affected workman leaving the job on his own accord on 22nd April, 1966, there is oath against oath of MW. 1 and WW. 1. There is no support to the testimony of MW. 1. On the other hand there are Exts. W1 and W3 to support WW. 1. The subject in these two letters mentioned is "alleged forced idleness of the affected workman. In Ext. W. 3 the Labour Enforcement Officer had categorically mentioned that the affected workman "was stopped from work from 22nd June, 1966". MW. 1 has spoken and some documents are marked to show that in respect of the alleged retrenchment a dispute was raised on behalf of the affected workman. But that material does not show that the affected workman had left the job voluntarily. It is not of any avail to validate the action taken by the employers in contravention of Section 25F of the Industrial Disputes Act, 1947. As a cumulative effect of the material on record I find that the affected workman was not retrenched with effect from 17th April, 1966 and that there was no justification for the employers in stopping the affected workman from working with effect from 22nd June, 1966.

5. As regards the relief to be granted to the affected workman it is to be considered if the affected workman is entitled to his wages from 25th April, 1966 to 8th June, 1966. The plea of the employers is that from 25th April, 1966 to 8th June, 1966 the affected workman was not in their employment. Against this the affected workman, WW. 1 has deposed that he went on leave on 25th April, 1966, for a month and had extended the leave by 15 days till 8th June, 1966. The affected workman, WW. 1, has deposed that there was no practice of issuing leave slip to the workman when he goes on leave and that leave is granted on the file of the Manager and when the workman returned from the leave the entry is made to that effect on the same paper and signature of the workman is obtained on it. As against this MW. 1 has spoken to the practice by saying that duplicate form is filled by the workman, that the original is taken by the workman and that the duplicate is left in the book itself. On 3rd March, 1969 the workmen called for two documents from the employers, leave application of the affected workman for leave with effect from 25th April, 1966 to 24th May, 1966 and the telegram for extension of the leave till 8th June, 1966. In reply the employers submitted on 13th April, 1969, that they did not appear to have received any of such leave application or telegram. The employers could produce the book meant for leave applications spoken to by MW. 1. But they did not do so. On behalf of the workmen a receipt for a telegram sent on 24th May, 1966 is filed and it is Ext. W. 3. MW. 1 does not say categorically that the telegram mentioned in Ext. W. 3 was not received by the employers. These circumstances probablistically that the affected workman had gone on one month's leave from 25th April, 1966 and had extended the leave upto 8th June, 1966 by a telegram. It is an admitted case of the employers that when the affected workman returned he was allowed to resume duty on 9th June, 1966 and he was also allowed to continue his duty upto 21st June, 1966 without taking any objection to his absence from

25th April, 1966, if it was an absence without leave at all. As I have already pointed out, there is no truth in the statement of the employers that the affected workman was not in their employment from 25th April, 1966 to 8th June, 1966. In Ext. W. 3 the Labour Enforcement Officer points out that the affected workman was kept on rolls of the colliery till 21st June, 1966. This is a further circumstance that probablisises that the affected workman was on leave from 25th April, 1966 to 8th June, 1966, originally granted and subsequently extended. In the result, I find that the affected workman is entitled to his salary and other dues with effect from 25th April, 1966.

6. I, therefore hold that the action of the management of Khas Joyrampur colliery, Post Office Khas Jeenagora, in stopping Shri Raj Kishore Singh, Mining Sirdar from work with effect from the 22nd June, 1966 was not justified and, consequently he is entitled to his salary and other dues with effect from 25th April, 1966 till the date of his reinstatement after deducting payments, if any made, as though he was continuously in service. The award is made accordingly and submitted under Section 15 of the Industrial Disputes Act, 1947.

(Sd.) N. VENKATA RAO,

Presiding Officer,
Central Government Industrial Tribunal (No. 2) Dhanbad.
[No. 2/57/67-LRII.]

ORDERS

New Delhi, the 20th December 1969

S.O. 45.—In exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby makes the following amendment in the order of the Government of India in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 3288 dated the 7th August, 1969, namely:—

In the said order, for the Schedule, the following Schedule shall be substituted, namely:—

"SCHEDULE

Whether the management of Messrs Newton Chickli Colliery, Post Office Parasla, Madhya Pradesh has obtained resignation from Shri T. E. R. Chetty, Medical Officer under coercion or duress on the 19th October, 1967? If so, to what relief is Shri T. E. R. Chetty entitled?"

[No. 5/20/68-LRII.]

New Delhi, the 26th December 1969

S.O. 46.—In exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby makes the following amendment in the order of the Government of India in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 3882, dated the 27th September, 1969, namely:—

In the said order, for the Schedule, the following schedule shall be substituted, namely:—

"SCHEDULE

Having regard to the recommendations of the Central Wage Board for the Coal Mining Industry in Chapter VIII of its Report, prescribing the scales of emoluments for the Technical and Supervisory staff of the Engineering Department, whether the management of Singareni Collieries Company Limited, Kothagudem, is justified in placing Shri K. Viswanadhan, Junior Charge-hand in Grade 'D' in the scale of Rs. 205—7—247—10—337?

If not to what relief is the workman entitled and from what date?"

[No. 7/49/68-LRII.]

P. C. MISRA, Under Secy.

(Department of Rehabilitation)
(Office of the Chief Settlement Commissioner)

ORDER

New Delhi, the 18th December 1969

S.O. 47.—In pursuance of Rule 11-D(D)(A) of the Evacuee Interest (Separation) Rules, 1951, the Central Government hereby makes the following order to amend the order published with the notification of the Government of India in late Ministry of Works, Housing and Rehabilitation, (Department of Rehabilitation) No. S.O. 531 dated 6th February 1964 namely:—

In the said order,

- (i) For the words and figures "30th September, 1969," the words and figures "31st January, 1970" shall be substituted.
- (ii) For the words "by adjustment against compensation payable in respect of the verified claim the words "by adjustment against the net compensation shown in the Statement of Account in respect of the verified claim," shall be substituted.

[No. 5(24)/59/Prop.II/Comp. & Prop.]

JANKI NATH, Under Secy.